FINANCIAL TIMES

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WORLD NEWS

Reports of child abuse rise sharply

The number of children known by local authorities to have been sexually abused in England and Wales rose by 90 per cent to 2,850 last year, the NSPCC said.

Reports of physical abuse increased by 30 per cent and child neglect by 42 per cent. The Department of Health said comprehensive guidelines for professionals dealing with child abuse would be issued soon.

Reagan defiant on aid

President Reagan expects congressional approval next month of military aid for Contra rebels in Nicaragua despite defeat in the House of Representatives. Page 2

S. African clashes

South African police clashed with demonstrators commemorating massacres at Langa and Sharpeville as violence claimed 10 lives. Page 2

Panama bars Marcos

Panama rejected a request for asylum from deposed Philippines President Ferdinand Marcos, currently in Hawaii in the US. Page 2

Vicarage case man ill

Andrew Byrne, 24, charged with aggravated burglary in connection with an alleged rape at a vicarage, was critically ill after an operation for a suspected blood clot on the brain. Police believe he was beaten up before his arrest.

Esso to raise prices

Esso said it would follow other leading oil companies in passing on to motorists the 7½p Budget rise in duty. Back Page

Sikh protest deaths

At least four people were killed and 25 injured when Indian police fired on militant Sikhs demonstrating at Punjab assembly buildings in the state capital of Chandigarh. Page 2

Howe in plea to Greece

Foreign Secretary, Sir Geoffrey Howe, on a visit to Greece, urged the Socialist government not to close four US military bases. Page 2

Sindona poisoned

Financier Michele Sindona, brought in a coma from jail to hospital in Voghera, Italy, had taken or been given cyanide, said Justice Minister Mimo Martinazzoli. Page 2

Helicopter crew killed

Both crewmen were killed when an Austrian military helicopter crashed in a snowstorm in Alpine foothills south of Vienna.

Groce son sentenced

Michael Groce, whose mother Cherry was accidentally shot and paralysed by a police officer during a search for him at her Brixton home last September, received two concurrent 12-month jail sentences, suspended for two years, after admitting firearms offences.

Tories to stand down

Senior Tory backbenchers Sir Humphrey Atkins, Geoffrey Rippon and David Crouch said they would leave the Commons at the next general election. Page 6

Goya case go-ahead

The High Court ruled that the Spanish Government could bring an action aimed at blocking the sale in Britain of an £8m painting by Goya. Page 4

Boxing action urged

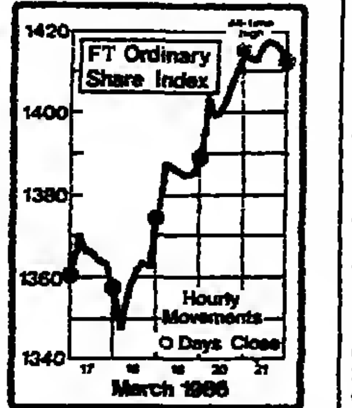
The British Medical Association said televised boxing matches should carry health warnings about the sport. The call follows the death of Scots boxer Steve Watt after a bout last week.

BUSINESS SUMMARY

Managers' bid wins at Cadbury

MANAGERS at Cadbury Schweppes confectionery and soft drinks group succeeded in their bid to acquire the food and beverages division for about £97m. But an attempt by management to take over Thorn EMI's Screen Entertainment division failed and Australian businessman Alan Bond, whose bid won, will pay the full £110m in cash and make available £10m (£73m) in operating capital. Both stories on Back

FT ORDINARY Share Index: a technical reaction looked possible initially yesterday after the three-day rise of more than 57 points. But profit-taking sales were countered by fresh demand and the index closed at 1412.2, down 2.9 on the day, but an advance of more than 51 points on the week. Page 16



LONDON METAL Exchange came under increased pressure to change its trading system in the wake of the tin crisis with the announcement that another member is to cease trading on the exchange. Page 15

GOVERNMENT moved to prevent a big increase in the amount of oil being burned in power stations because of fears that this would jeopardise the recovery of the coal industry from its year-long strike. Back

ANNUAL INFLATION rate fell last month to 5.1 per cent, from 5.5 per cent in January. Back Page; Growth rate down, Page 6

BL: talks between the Government and General Motors of the US about the possible sale of the state-owned group's Leyland Trucks and Land Rover subsidiaries could still break down, claimed a senior minister on the Cabinet committee concerned with the issue. Back Page; Heseltine renews attack, Page 6

OIL: members of Opec and five other producing countries were trying to find a formal agreement to convince the markets of their ability to restrain oil supplies and thus revive prices. Page 2

IMPERIAL OIL, Canada's biggest oil company, is to axe 1,800 jobs in response to lower oil prices and an over-supply of petrochemicals and other refined products. Page 13

COURTAULDS textiles group announced 260 redundancies at its St Helen's childrens wear factory and placed a question mark over the future of another Merseyside factory employing 220. Page 4

GRATTAN, Bradford-based mail order company, increased annual pre-tax profits by two-thirds to £16m and announced plans to raise £27.1m through a rights issue. Page 12

EXCO INTERNATIONAL, money broking and financial services group, achieved a 21 per cent rise in pre-tax profits in 1985 to £37.44m. Page 12; Lex, Back Page

JARDINE MATHESON, Hong Kong's oldest colonial trading company, reduced its losses last year to HK$269m (£23.49m) after tax, minorities and extraordinary items, down from $793m the previous year. Page 13

SWEDEN: hopes that employers and trade unions will agree to central negotiations leading to a low national pay settlement were revived when the two sides began their first talks in two months. Page 3

Argyll lifts offer for Distillers as rival bid wins go-ahead

BY DAVID GOODHART

THE ARGYLL supermarkets group yesterday raised its bid for Distillers as the latest Guinness offer for the spirits company won the official go-ahead from the Trade and Industry Department.

The day of hectic activity in the UK's biggest-ever takeover bid ended with each of the two offers for Distillers valuing the company at about £2.5bn. After a 10p rise in the Guinness share price, its share offer remained slightly ahead, valuing each Distillers share at 690p.

With Argyll down 7p on the stock market, its improved offer was worth 687p per Distillers share.

The expected decision not to refer the second Guinness bid to the Monopolies and Mergers Commission was announced by Mr Geoffrey Pattie, Minister of State for Industry and Information. He said that the latest proposal for an agreed merger between Guinness and Distillers did not raise the competition issues which led to the reference for the first deal.

A major factor in his decision was the firm agreement between Distillers and Whyte and MacKay, a subsidiary of Lonrho, he said. Distillers is selling Whyte and MacKay five of its brands worldwide and the UK rights of four of its brands, along with one Guinness brand, for £10.5m.

Whyte and MacKay will own only the brands and trade names and not the distilleries themselves. Distillers has entered a 10-year agreement to provide the whisky and bottling for all the brands, which include The Claymore, Haig, The Buchanan Blend and Crawford's.

The £2.4bn takeover battle for Imperial Group, whose interests include tobacco and brewing, intensified yesterday when United Biscuits announced it now spoke for 21.89 per cent of Imperial's shares, just topping the 21 per cent which rival bidder Hanson Trust announced it controlled earlier this week. Page 12

Mr Bill Spengler, Distillers' deputy chairman, said he was sad to part with the brands but they were going to a fine Scottish company and represented a loss of only 1.4 per cent of Distillers' turnover.

The deal, which releases £9m of working capital for Distillers, reduces the share of the UK scotch whisky market held by the combined group from about 35 per cent to under 25 per cent to satisfy the Office of Fair Trading.

The waving through of the second Guinness bid was strongly criticised by Mr Alex Fletcher, Tory MP for Edinburgh Central and a former trade minister. Mr Fletcher, who is an adviser to Argyll, said the decision had driven a wedge through competition policy.

Mr Fletcher has tabled a parliamentary question to Mr Paul Channon, Trade and Industry Secretary, on the implications for the Government's competition policy. A written answer is expected next week.

The previous Argyll offer, which valued Distillers at about £2.3bn, consisted of 1.1 ordinary shares, one preference share and £1.50 in cash for each Distillers' share. The latest one is 1.25 ordinary shares, one preference share and £1.63 cash for each Distillers' share.

The cash alternative has been raised from 600p to 660p. Both bids close on April 18 and if Guinness wants to increase its offer a final time it must do so two weeks before that date.

Argyll insists that because of its unusual underwriting arrangements, which provide higher rewards to the underwriters in the event of success and lower rewards if the bid fails, it has not been too stretched by this final offer.

Mr Rupert Faure Walker of Argyll's merchant bank adviser Samuel Montagu, said the main tranche of underwriting had been increased to £1.2bn, the core underwriting was now £550m and bank loans had been increased from £600m to £700m.

He added that if Argyll's latest bid failed it would only cost about £3.5m. The total failure of all its bid efforts would cost Argyll about £25m. It is forecasting pre-tax profits this year of £64m.

Many analysts expect the value of Guinness's share offer to stay ahead of Argyll's—possibly with the help of a final small increase in the Guinness offer. However, Argyll will attempt to persuade Distillers' shareholders that they face a marked dilution of earnings if they accept Guinness shares.

Guinness for its part is likely to argue that an Argyll victory would lead to a marked re-rating of its share price.

Guinness closed at 310p. Argyll at 330p and Distillers up 37p at 677p.

Lex, Back Page

Bank moves to steady fall in short-term rates

BY GEORGE GRAHAM

THE Bank of England moved yesterday to calm London's money markets and dampen expectations of another immediate cut in interest rates. In a manoeuvre used before to head off too rapid a decline in short-term rates the Bank refused to buy bills from discount houses and, instead, lent money to them at a rate above the prevailing 11½ per cent bank base rate.

After another day in which sterling had gained ground against the dollar and against European currencies, money market interest rates had moved downwards. Three-month interbank declined to 11 7/16 per cent. Rates at the weekly Treasury bill tender fell to a level dealers said was consistent with another ½ percentage point cut in base rates.

The authorities are, however, anxious that the markets should consolidate at current levels after Wednesday's 1 point drop in base rates, rather than rushing ahead with cuts that might have to be reversed.

Dealers said the Bank's lending rate of 12 per cent, ½ point above base rate, was penal to the discount houses but less so than similar rates hitherto. They said there was still enthusiasm for sterling in the foreign exchange markets and expected pressure for further cuts in interest rates to build next week.

On the Stock Exchange share prices moved more quietly after three days of rising swiftly. The FT Ordinary share index lost 2.9 points yesterday but still ended the week 51.5 points higher at 1,412.2. The broader FT-SE 100 share index lost 1.8 on the day but over the week gained 63.9 to end at 1,688.3.

Sterling's strength in the foreign exchange markets helped the British government bond market to continue its advance. Some stocks rose by a point yesterday and, in a week in which the gilt-edged market welcomed Tuesday's Budget, gains of more than 5 points overall were recorded.

The Bank issued a total £400m of new bonds in tranches of existing issues, in another move viewed as aimed to consolidate the market's current levels.

The pound ended in London at $1.51 against the dollar, up 2¼ cents in the day and nearly 5 cents in the week. Against the D-mark sterling made similar gains, closing at DM 3.3875, a gain of 2¾ pfennigs on the day and nearly 8 pfennigs on the week. Sterling's trade-weighted index rose 0.6 yesterday to end at 75.9, compared with a level of 74.3 at the start of the week.

● Italy yesterday cut its discount rate by 1 percentage point from 15 per cent to 14 per cent, Reuter reports from Rome. It is the lowest level since 1969. Favourable prospects for inflation and the balance of payments, coinciding with an improved situation on foreign exchange markets, had enabled Italy to join in the round of interest cuts seen in other leading industrial countries this month, the Italian Treasury said.

Underlying growth rate down, Page 6; Editorial Comment, Page 10; UK inflation rate drops, Back Page
Money Markets, Page 15

Backing for Lawson in FT poll

BY MALCOLM RUTHERFORD

THE CHANCELLOR'S Budget proposal to link a significant proportion of employees' remuneration to the profitability of the company for which they work has won overwhelming support among senior executives.

According to a telephone poll conducted by Marplan for the Financial Times in the two days after the Budget, 74 per cent of directors of companies with an annual turnover of more than £5m said that they were in favour of the idea. Only 13 per cent were opposed and 12 per cent said that they were indifferent.

Mr Lawson put forward the suggestion as a way of introducing more flexibility into the pay system and of reducing the need for lay-offs when profits declined.

There is also considerable support among executives for the Chancellor's proposed Personal Equity Plan, under which people will be able to invest up to £200 a month in shares and be free of tax on re-invested dividends and capital gains made on disposals.

Sixty per cent of those polled said that they would use the scheme themselves; 38 per cent said they would not. However, 62 per cent said they thought their employers would use it, and 34 per cent thought the contrary.

The plan is due to go into operation next January.

There was much less interest, however, in the Chancellor's New Workers' Scheme, under which the Government will pay £15 a week for a year to any

Continued on Back Page
Budget reaction, Page 6

Terrorism tops Chirac's first cabinet agenda

BY DAVID HOUSEGO AND PAUL BETTS IN PARIS

THE WAVE of terrorism in France is expected to dominate the first meeting of Mr Jacques Chirac's new French Government today.

After Thursday's bomb explosion on the Champs Elysees in Paris, which killed two people, Mr Chirac, the premier, said there would be a major strengthening of police and judicial measures against terrorism.

He promised more intensive collaboration with other western governments over terrorism and discussed this in talks with Mr George Shultz, the US Secretary of State, and his first foreign visitor since taking office.

Responsibility for Thursday's bomb attack was claimed by the Solidarity Committee for Arab political prisoners which has also been responsible for other terrorist acts. They share the demands of the Islamic Jihad in seeking the release of Arab and Iranian terrorists being held in France.

The terrorist issue has become the administration's first big test and Mr Chirac's first act after taking over from outgoing Prime Minister Laurent Fabius, was to visit the shopping arcade in the Champs Elysees where the blast took place.

Mr Chirac, whose election platform included a strong pledge to crack down on crime and guerrilla violence, warned: "Terrorism is one of the most difficult things to contain."

Ministers are still in the process of taking over their new roles. Many, including Mr Edouard Balladur, Minister of Economy and effectively the deputy Prime Minister of the Right-wing government, will only officially take over their offices from their Socialist predecessors at the weekend.

Symbolically, Mr Balladur made a point of beginning his tenure by calling on Mr Antoine Pinay, the veteran finance Minister, whom Gaullists regard as the architect of the recovery of the French economy after General de Gaulle took power in 1958.

Mr Pinay made the focus of his policy a 15 per cent devaluation of the French franc accompanied by tough measures to restrict domestic demand and reduce the budget deficit.

Mr Pinay advised the Government to be cautious over lifting price controls and cutting taxes.

The bourse continued to rally strongly yesterday, taking the rise since Monday to 7 per cent. It has shown a 32 per cent increase since the beginning of the year.

The franc, however, came under slight pressure as a result of continuing devaluation rumours, with foreign exchange dealers reporting some intervention by the Bank of France.

The Government saw its position strengthened further in the country with the election of the new presidents of France's 22 regional councils.

The Socialists were left with control of only two regions—the Nord-Pas de Calais and Limousin—losing their hold on four others.

However in seven or eight regions the neo-Gaullist RPR and the centrist UDF coalition were only able to secure regional presidencies with the support of the extremist National Front of Mr Jean-Marie Le Pen.

It remains to be seen whether as a result of this, the front will be given official positions such as vice-presidencies in the regional councils. The Socialists are bound to exploit the embarrassing dependence of the RPR-UDF alliance on the front.

Among the new presidents to be elected was Mr Valery Giscard de'Estaing for the Puy-de Dome in the centre of France. Mr Chirac's failure to give him the portfolio he had sought as Minister of the Economy is seen as removing him as a potential presidential candidate on the right.

New ministers were unwilling to discuss the Government's strategy. However, Mr Philippe Seguin, Minister for Social Affairs and Employment, sought to reassure trade unions by saying: "We are here to discuss before taking decisions."

The pro-Socialist CFDT replied on a similar note with Mr Edmond Maire, its Secretary General, declaring that his union would judge the Government on its record over unemployment, which remained their priority.

Mr Francois Guillaume, Agriculture Minister—and former head of the French farmers' union, said he intended to obtain "a certain number of advantages, perfectly justified" for farmers. He will attend his first meeting of EEC agriculture ministers in Brussels on Monday.

Today's cabinet meeting under President Mitterrand's chairmanship will be preceded by an informal gathering of ministers under Mr Chirac at the Matignon. The move suggests that Mr Chirac will seek to make the weekly cabinet meetings more of a formality while the real work is done at ministerial meetings at which he is in the chair.

Harsh welcome for Chirac, Page 3

WEEKEND FT

SPECULATION

The world is again in the grip of speculation mania. But is the latest bull market just another boom destined to go bust?

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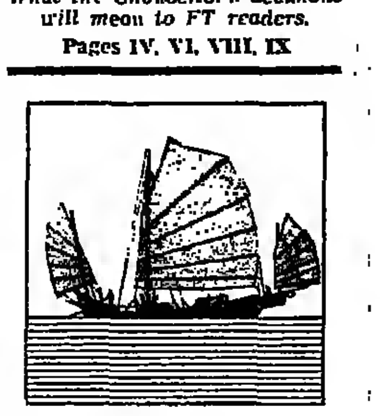
BUDGET

What the Chancellor's decisions will mean to FT readers.

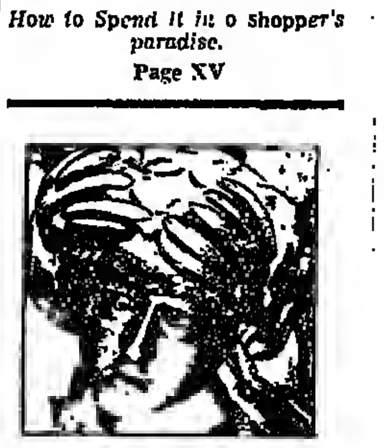
Pages IV, VI, VIII, IX



HONG KONG

How to Spend it in a shopper's paradise.

Page XV



SCULPTURE

The Royal Academy hosts a major exhibition of the works of Sir Alfred Gilbert, creator of Eros.

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MARKETS

DOLLAR	STERLING
New York lunchtime: DM 2.2435, FFr 6.9035, SFr 1.876, Y175.8	New York lunchtime $1.5125
London: DM 2.2415 (2.256), FFr 6.8975 (6.9425), SFr 1.8715 (1.893), Y175.75 (176.30)	London: $1.5115 (1.489), DM 3.3875 (3.36), FFr 10.425 (10.3375), SFr 2.83 (2.8175), Y265.5 (262.5)
Dollar index 116.7 (116.9)	Sterling index 75.9 (75.3)
US LUNCHTIME RATES	**LONDON MONEY**
Fed Funds 7⅝%	3-month interbank: Closing rate 11 7/16% (11½)
3-month Treasury Bills: Yield: 6.58%	**NORTH SEA OIL**
Long Bond: 115 3/64 Yield: 7.93%	Brent 15-day April $13.30 ($13.95)
GOLD	**STOCK INDICES**
New York: Comex April latest $356.2	FT Ord 1412.2 (−2.9); FT-A All Share 820.18 (+0.1%); FT-SE 100 1688.3 (−1.8); FT-A long gilt yield index: High coupon 9.14 (9.17)
London: $354.25 ($350.75)	New York lunchtime: DJ Ind Ave 1809.51 (+5.27); Tokyo: Market closed

Chief price changes yesterday, Back Page

CONTINENTAL SELLING PRICES: Austria Sch 20; Belgium BFr 45; Denmark DKr 8; France Fr 6.00; W Germany DM 2.20; Ireland 60p; Italy L1,500; Malta 30c; Netherlands Fl 2.75; Norway NKr 7.00; Portugal Esc 90; Spain Pta 125; Sweden SKr 7.00; Switzerland Fr 2.20;

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Reagan refuses to accept defeat on aid to Contras

BY REGINALD DALE, US EDITOR IN WASHINGTON

PRESIDENT Ronald Reagan is refusing to accept defeat in his intense personal struggle for US military aid for the anti-government Contra rebels in Nicaragua, despite a resounding rebuff in the House of Representatives on Thursday.

White House officials believe that they can still prevail with a modified version of Mr Reagan's proposal in further negotiations on Capitol Hill and that Congress will ultimately provide some form of renewed military aid to the Contras.

There may, however, be more strings attached than Mr Reagan was prepared to accept in the proposal that the Democrat-controlled House rejected by 222 votes to 210 on Thursday, in one of the President's worst foreign policy defeats on Capitol Hill.

Backers of aid to the up to 20,000 Contras, who have been fighting largely a losing battle against the Soviet-equipped Sandinista government forces for the past five years, were yesterday claiming that the closeness of the House vote in fact showed growing support for their cause.

Senator Robert Dole, the Senate majority Republican leader, predicted that Mr Reagan would win in the Republican-led Senate, which is expected to start debate on the plan next week. Mr Regan is asking for a $100m (£67.5m) package, most of it in military aid, but with $75m withheld for 90 days to allow negotiations with the Sandinista a final chance.

White House officials said that with the delay caused by the plan's initial rejection in the House, the waiting period might now be reduced to 60 days. That would mean thst if the House accepts a version of the proposal in its next vote, scheduled for April 15, the aid would still become available according to the original timetable.

Even Democrats who oppose the whole idea of helping the Contras, for fear that it will lead to a "new Vietnam," concede that the House may well adopt some form of aid plan in its second vote. But wavering voters in the House want first to be convinced that Mr Reagan has made a bona fide attempt at negotiations with the Sandinistas and they want the White House to drop its tactic of trying to suggest that anyone who opposes the aid plan is unpatriotic, if not pro-Communist.

Tim Coone in Managua adds: Nicaraguan President Daniel Ortega, speaking on national television after the result became known, said: "The fact that they have voted in a certain way does not signify that the war has ended. The aggression continues. US troops are in Honduras and, what is more, they have brought forward their manoeuvres programmed for April."

Nicaragua is confident it can defeat the guerrillas whether or not the aid package is approved. It is deeply concerned, however, about Congress being co-opted by the White House in the latter's increasingly transparent aim to remove the Sandinistas from power.

Nato nuclear cutback 'on target'

By Bridget Bloom in Wuerzburg

NATO NOW has fewer nuclear weapons in Europe than at any time for 20 years, Lord Carrington, the Alliance's secretary-general said here yesterday. Lord Carrington, speaking at the close of the defence ministers' Nuclear Planning Group (NPG) meeting here, said progress in reducing Nato's nuclear stockpila stemmed principally from the so-called Montebello agreement of 1983, now being implemented.

Under a detailed plan produced by General Rogers, Nato's European commander, Nato will have withdrawn more than 1,400 nuclear weapons by 1988 and will then have fewer than 4,600 nuclear bomba, missiles and shells in Europe, compared to 7,000 such battlefield weapons in the late 1970s.

Gen Rogers' plan, which involves the redeployment of some nuclear weapons to Nato's southern flank, is believed to be meeting some resistance from Italy and Turkey, the countries principally involved, although Lord Carrington said yesterday that no dissatisfaction had been expressed at the NPG meeting.

Officials, however, admit that the second phase of the Rogers plan, which would involve some costly modernisation of battlefield weapons on the central European front — thus affecting the UK and Germany among others — have been shelved both on grounds of its political sensitivity and cost.

Lord Carrington yesterdsy described the NPG meeting as useful rather than decisive. The $26bn Star Wars project apparently dominated discussions.

At the press conference yesterday, Mr Manfred Werner, the West German Defence Minister, sought to clarify the confusion which has arisen over whether or not West Germany believes there should be a parallel European defence initiative to protect Europe against incoming shorter-range missiles.

Mr Werner said he had never canvassed the idea of a specific European defence initiative separate from the US Strategic Defence Initiative (SDI), the *formal name for Star Wars*. He agreed that SDI would provide defence for Europe against medium and some short-range as well as intercontinental ballistic missiles. What was necessary was a more efficient air defence system for Europe designed to operate against short-range tactical missiles as well as aircraft.

Lord Carrington added that studies of such a system were under way within Nato but it was too early to say whether there would be a separate research programme let alone development or deployment of any new system.

Reuter adds from Wuerzburg: Mr Caspar Weinberger, the US Defence Secretary, insisted today that the US would not give up the SDI in any arms control agreement or accept a ban on nuclear testing. He told reporters the SDI was "one of the very highest priorities of our government."

Manila seeks to block sanctuary for Marcos

BY SAMUEL SENOREN IN MANILA

THE GOVERNMENT of President Corazon Aquino will cut diplomatic ties with any country, other than the US, which gives sanctuary to former President Ferdinand Marcos and his family who fled to Hawaii on February 25 after being toppled by military revolt.

Vice President Salvador Laurel, who is also the Foreign Minister, warned yesterday that granting political asylum to Mr Marcos would be considered an "unfriendly act."

The Aquino Government which had cancelled the passports of Mr Marcos and 88 others of his entourage, wants him to stay in the US where he may face court action to recover the billions of dollars of illegally acquired wealth and also charges of human rights abuses.

The Government of Panama yesterday said that it had rejected a request for asylum from Mr Marcos. The Government "determined that it was not favourable for Panama at this time to accept the temporary presence of Mr Marcos in our country," said a spokesman.

However, the Reagan Administration is still trying to persuade Panama to accept Mr Marcos as a permanent resident, said Mr Donald Regan, President Reagan's chief of staff yesterday. "We're still talking to Panama about taking Marcos there," he said. "There is still a possibility."

In Manila, a special commission has been set up to recover assets held abroad by Mr Marcos and close friends said to have benefited immensely from connections with the deposed strongman.

The chairman of the commission, Mr Jovito Salonga, is now in the US supervising efforts to identify and retrieve Mr Marcos' assets in the New York area.

Mr Marcos has been charged by Mrs Aquino with ordering the assassination of her husband, the opposition leader Mr Benigno Aquino, at Manila Airport in 1983.

Yesterday, a presidential committee on human rights formed by Mrs Aquino this week, announced it would reopen the investigation of Mr Aquino's murder.

Initially, the committee, led by former Senator Jose Diokno, wants to know whether Mr Marcos ordered a whitewash of s court trial last year

A government lawyer who prosecuted the case claimed Mr Marcos pressured prosecutors and judges into clearing Gen Ver who fled with the former president.

● Swiss authorities warned banks yesterday to monitor carefully any move to deposit or withdraw money on behalf of Mr Marcos following speculation he has millions of dollars in accounts in Switzerland, Reuter adds from Zurich.

Marcos: no sanctuary

Four killed as Sikhs demonstrate in Punjab

By John Elliott in New Delhi

AT LEAST four people are believed to have been killed in the northern Indian state of Punjab yesterday at the end of a week of the worst riots and bloodshed in the area for more than six months.

Four died when paramilitary forces opened fire on several thousand militant Sikhs who were staging a demonstration around the Punjab assembly buildings in the state capital of Chandigarh and two more were killed in clashes with security forces near Amritsar.

Violence has escalated in the *troubled state* during recent weeks and 10,000 members of the security forces were flown in during the past few days. Assassinations by Sikh extremists have escalated into clashes between Sikhs and Hindus, *starting* the first mass communal violence since before the Sikhs' Golden Temple in Amritsar was stormed by the Indian army in June 1984.

The increased violence is a major setback for the government of Mr Rajiv Gandhi which had hoped that the election lost September of a Sikh Akali Dal government in Punjab would lead to stability. Instead nearly 200 people have been killed since the election. The state government has failed to curb violence and has allowed a relatively small number of extremists to spread terror and riots throughout the state.

This resurgence of Sikh extremism is also causing problems in India's international relations. A rapprochement with neighbouring Pakistan has been partially upset by India's renewing allegations that Pakistan is training extremista to infiltrate the Punjab.

India is also stepping up its complaints about activities in the UK of Sikh extremists. Sir Geoffrey Howe, Foreign Secretary, will come under strong pressure from Mr Gandhi when he visits Delhi in nine days' time to agree an extradition treaty between the two countries.

Yesterday's violence in Chandigarh was the worst ever seen in the city. Sikh extremists led by Mr Joginder Singh, father of Sant Jarnail Singh Bhindranwale, who was killed in the Golden Temple action, broke through paramilitary police cordons.

They wielded swords, sticks and iron rods and were not repulsed by tear gas and rubber bullets.

Earlier in the week the industrial town of Batala, north of Amritsar and a centre of northern India's machine tool industry, was surrounded by Sikh extremists after rumours of Hindu attacks.

Arafat blames US

Palestine Liberation Organisation (PLO) leader Mr Yasser Arafat said yesterday the US attitude made a peaceful solution to the Middle East conflict impossible, Reuter reports from Abu Dhabi. He said he agreed with a statement on Thursday in Cairo by Jordan's King Hussein that peace efforts had reached a dead end.

Howe warns Athens over bases

BY ANDRIANA IERODIACONOU IN ATHENS

SIR GEOFFREY HOWE, the British Foreign Secretary, yesterday warned Dr Andreas Papandreou's socialist government against closing down the four American military bases in Greece for fear of jeopardising both Nato and Greek security. Sir Geoffrey arrived in Greece for a three-day official visit on Thursday.

"Greece, like Britain, provides highly valuable facilities for other allies' forces. And Greece, like Britain, must help to preserve the chain of strategic consensus and political solidarity. Without all these Greek roles and contributions Nato's collective security would not be complete. Neither would the security of Greece herself," Sir Geoffrey said in a pointed speech delivered at a lunch organised by the British-Hellenic Chamber of Commerce.

The Foreign Secretary's main theme was the need for co-operation in favour of collective interests, before which national ones must at times give way in Nato and the EEC.

US Secretary of State, Mr George Shultz, staring a 10-day tour of Europe yesterday, said he would press the Greek Government to decide if it intended to shut four key US bases in 1988, AP writes from Paris.

Sir Geoffrey's speech was given additional political spice by the fact that it came only days before the arrival in Athens on March 25 of Mr George Schultz, the US Secretary of State, for two days of talks. These are expected to centre on the future of the American bases beyond 1988, when the present five-year agreement for their operation runs out.

For his part, in a 90-minute meeting with Sir Geoffrey before yesterday's lunch, Mr Papandreou reportedly stuck to his guns on the two thorny foreign policy issues of Turkey and Cyprus. Encouraging Greece to improve its relations with Turkey in aid of Nato unity, and to support the current UN peace initiative for Cyprus, were key items on Sir Geoffrey's agenda.

Greek government officials said Mr Papandreou told the Foreign Secretary that Greece sets three conditions on a fair and viable UN peace settlement for Cyprus:

● the withdrawal of Turkish occupation troops,

● guarantees which would prevent a future Turkish intervention and

● the departure of settlers brought to Cyprus from the Turkish mainland after the 1974 invasion.

Sindona in coma after cyanide poisoning

By James Buxton in Rome

MR Michele Sindona, the bankrupt Italian financier, who was close to death in a severe coma yesterday, was officially confirmed to be suffering from cyanide poisoning. Doctors said he was being kept alive by artificial means.

Mr Sindona was taken ill on Thursday morning while eating his breakfast in the maximum security prison at Voghera near Milan.

Yesterday, amid a mounting political row over the affair, it was being asked whether Mr Sindona had voluntarily tried to commit suicide, or whether someone had tried to murder him.

Mr Mino Martinazzoli, the Minister of Justice, revealed to parliament yesterday that Mr Sindona had broken his normal breakfast routine by asking to be allowed to take his coffee in the bathroom of his prison cell. This put him out of sight of the guards who normally watched his every move.

He then staggered back into the main part of the cell, exclaiming: "They've poisoned me."

Since Mr Sindona's meals were normally tasted by prison officers before being sent up to him, there was speculation yesterday that he may have inserted the poison into his breakfast himself — but whether out of a genuine desire to commit suicide, or because he was obliged to do so by outside forces is not known.

China N-test pledge

CHINA will no longer conduct atmospheric nuclear tests, Premier Zharo Ziyang said yesterday at a rally marking the International Year of Peace, reports AP from Peking.

"China has not conducted nuclear tests in the atmosphere for many years and will not conduct atmospheric nuclear tests in the future," he said.

South Africa massacres marked

BY ANTHONY ROBINSON IN JOHANNESBURG

DEMONSTRATIONS took place yesterday in all South Africa's major cities in commemoration of the Langa massacre and that in Sharpeville 26 years ago. In Langa itself thousands of mourners watched the unveiling of a memorial at the graves of those killed by police there a year ago.

Strong police foot patrols were in evidence in Johannesburg, Durban and other cities and police wielding batons and sjamboks and firing tear gas broke up demonstrations in central Johannesburg and Durban.

The day was marked by a mass work stayaway in Port Elizabeth and other towns in the Eastern Cape. The Volkswagen plant in Uitenhage was deserted but General Motors in Port Elizabeth worked with a skeleton staff.

Police in Langa, in the Eastern Cape, used tear gas to disperse crowds at the spot where the massacre took place last year after local magistrates had denied permission to hold a commemoration meeting.

A large crowd of up to 50,000 people gathered in the sports stadium at nearby Kwanobuhle but Mrs Winnie Mandela, wife of jailed African National Congress leader Nelson Mandela, who was expected to speak did not turn up. Her speech "in remembrance of our fallen heroes" was read for her.

In Sharpeville, some 60 kms east of Johannesburg, members of the Sharpeville Youth Congress went to the local cemetery early in the morning to clean the graves of the 69 people killed 26 years ago, a traditional sign of respect. Police reported no incidents.

But Brig Jan Coetzee, chief of police in Soweto township near Johannesburg revealed yesterday that police had prevented a planned attack on the homes of black policemen when they seized 55 petrol bombs and arrested several youths. The arrests followed a clash between police and a 300-strong group of youths during which one unidentified youth was killed, police added.

Malay economy misses goal

BY WONG SULONG IN KUALA LUMPUR

MALAYSIA'S fifth five-year plan (1986-90) has confirmed that the centrepiece of the Government's new economic policy—30 per cent Malay ownership of the corporate sector by 1990—will not be achieved.

The plan, presented in parliament yesterday, said that because of expected slower growth—5 per cent over the next five years, Malay ownership of the corporate sector will be around 22 per cent by 1990, the end of the 20-year new economic policy (NEP), period.

The plan does not state how the NEP target can be achieved. This is a sensitive political issue and the Government appears to have two choices: to extend the NEP beyond 1990, which would be unpopular with the non-Malays, or to introduce government enterprises into the stock exchange, to be held in trust for the Malays.

The NEP was launched in 1971 by the former prime minister, the late Tun Abdul Razak, to upgrade the economic status of the Malays to that of the non-Malays. The achievement of this he believed was fundamental to racial harmony

The fifth Malaysia plan envisages an annual growth rate of 5 per cent over the next five years, compared with 5.8 per cent during the fourth plan. This slower growth will push unemployment up to 10.1 per cent by 1990 from 7.6 per cent last year.

The government is cutting back development spending by 8 per cent to just under US$30bn, with the biggest cutback of 37 per cent in defence and internal security to $1.88bn.

The cuts reflect the anticipated sharp decline in government revenue as a result of falling commodity prices.

The private sector will play a dominant role in boosting growth, and the plan envisages the Government offering more incentives to the private sector, while relaxing its previously tough equity rules on foreign investment.

Sabah tense after mosque arrests

BY CHRIS SHERWELL IN KOTA KINABALU, SABAH

MALAYSIA'S strife-torn eastern state of Sabah remained tense yesterday as police arrested more than 1,600 Moslem militants occupying a mosque and Chinese businessmen bitterly criticised their handling of the recent sectarian violence.

A ten-day campaign of bombing and demonstrations has apparently been aimed at destabilising the mainly Christian Government of Datuk Joseph Pairin Kitingan and provoking emergency rule from Kuala Lumpur.

Five people have died and scores have been hurt, property damage runs to millions of dollars and in Kotakinabalu, the capital, streets are lined with wrecked shops

In spite of more bomb hoaxes yesterday and an illegal demonstration by Moslems after Friday prayers in the town of Sandakan, police reported a "definite improvement" in the situation and said the dusk-to-dawn curfew in Kotakinabalu might be relaxed "in a day or two."

It was not immediately clear yesterday why occupants of the mosque voluntarily agreed to surrender, but the two-day operation brought the total number of arrests since March 12 to 3,200, of which 950 have since been released.

The disturbances reached a peak with serious riots on Wednesday, when demonstrators burst out of the mosque and police temporarily lost control of public order. The curfew imposed that night was the first in the state capital.

Non-Opec producers hold out against output cuts

BY RICHARD JOHNS IN GENEVA

THE ORGANISATION of Petroleum Exporting Countries and five other producers yesterday were trying to find a formal agreement which might convince the markets of their ability to restrain oil supplies and thus revive price levels.

There was a clear lack of conviction that a compromise sufficient to reassure the market of their will and self-discipline would be reached.

The meeting between all 13 Opec members and Mexico, Egypt, Oman, Malaysia and Angola was taking place yesterday evening as Opec sought to win their collaboration in curbing output, especially during the critical second quarter of 1986.

Yesterday morning an Opec proposal that the five should cut their output by 20 per cent was summarily dismissed by the guest participants which were said to have nearly walked out in protest.

The main problem remained Opec's inability to agree upon sharing a total collective output of less than 16m barrels-a-day during the second quarter. Total demand is then unlikely to be more than 15.5m b/d, according to industry forecasters. The 16m b/d ceiling was agreed in October 1984.

Fundamental to Opec's predicament is lack of trust among members, especially as a result of the war between Iran and Iraq.

Saudi Arabia is adamant in its refusal both to concede anything less than 27 per cent of total Opec output, the maximum allowed it under the 1984 pact, and to return to the role of "swing producer."

Sheikh Ahmed Zaki Yamani, Saudi Minister of Oil, apparently would like to terminate the proceedings as soon as possible and leave other producers to their own devices. In practice, the kingdom would like to see the market suffer more before rejoining any concerted effort, involving if possible the North Sea producers, UK and Norway.

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Europeans rebut US charges on Airbus

BY WILLIAM DULLFORCE IN GENEVA

WITHOUT the European Airbus there would be no true competition in the market for large civil aircraft, France, Britain and West Germany have told the US. Their riposte came during talks in Geneva about US charges that government support for the Airbus was violating fair trading practices.

Airlines already complain about the excessive price of the only long-range airliner—the Boeing 747—Mr Dieter Wolf, the leader of the West German team, said.

The three European governments' political motive for assisting the jointly owned Airbus Industrie was to avoid being confronted by a US monopoly. More than 1,000 US aircraft were operating with European airlines while no more than 56 Airbuses had been sold in the US, Mr Wolf said.

The two-day talks, prompted by a request for consultations from Mr Clayton Yeutter, the US trade representative, have been inconclusive and will be continued later.

Mr Wolf described them as a "pre-negotiating phase" and Mr Bruce Wilson, the assistant US trade representative, said a start had been made on clearing up misunderstandings which might lead to a common understanding about what represented fair competition in the civil aircraft business.

The two sides are still far apart in assessing government aid for aircraft development. The Europeans claimed that US manufacturers draw substantial benefits from a "combined aeronautics expenditure" of $47bn (£32bn) over the past 15 years by the US Defence and Transport Departments and the National Aeronautics and Space Administration.

Tax benefits realised when US manufacturers were allowed to set up foreign sales corporations saved Boeing $397m and McDonnell Douglas well over $300m (£205m), according to the Europeans.

The West German Government showed contributions totalling DM 2.7bn (£820m) in launch aid for Airbus programmes up to the end of 1985. The French Government has allocated "cash credits" of FFr 8.7bn to Airbus to the end of 1986 and the British Government says its launch aid has so far been limited to £250m for the new Airbus A-320.

All these government advances are repayable and fully in line with the regulations of the General Agreement on Tariffs and Trade, the Europeans insist. Mr Michel Lagorce, the leader of the French delegation, said more than a quarter of his government's advances to Airbus had already been repaid.

The four countries also discussed government "inducements" to aircraft buyers. Mr Wolf suggested tentatively that a list of unacceptable political actions by governments in connection with aircraft sales might be drawn up.

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Laws by decree hand a trump card to Mitterrand

BY DAVID HOUSEGO IN PARIS

THE ANNOUNCEMENT by Mr Jacques Chirac, the French Prime Minister, that he would put through enabling legislation to allow his government to adopt laws by decree is in line with a classic procedure of the Fifth Republic used by governments in a hurry or needing to adopt unpopular measures.

The Socialists used it seven times after coming to power in 1981 to accelerate such measures as the reduction in the working week to 39 hours, the introduction of a fifth week's paid holiday, and their first austerity package in 1982 that brought in a wages and prices freeze. Up to 1981 it had been used 13 times since the beginning of the Fifth Republic in 1958.

The big difference between Mr Chirac's proposed use of legislation by decree and past precedents is that for the first time a Prime Minister cannot be sure that the President will sign the decrees put before him. Under the constitution the President can withhold his signature from laws for up to 15 days at the most—but he is not compelled to sign decrees.

The deal that appears to have been struck is that Mr Chirac bowed to Mr Mitterrand's wishes over the appointment of the new foreign and defence ministers and that, in return, Mr Mitterrand will sign decrees in the two areas where Mr Chirac is seeking enabling legislation.

The first of these two areas covers the new Government's economic programme and privatisation.

The second involves a return to single seat majority voting which on the present balance of strength between left and right in the country would give the neo-Gaullist RPR and the centrist UDF a far greater majority in the National Assembly than they won last Sunday under a proportional representation system.

Apart from a framework denationalisation law, the economic measures that could be covered by decree are the abolition of price controls; changes in the labour laws both to permit companies to declare redundancies more easily and to take on more younger people by easing existing terms of employment; encouraging of greater employee participation in share ownership; and the outlawing of restrictive trading practices as a way of promoting competition.

At this stage the most that can be said is that Mr Mitterrand appears to have agreed to sign decrees in these two areas and that he would be thought to have acted in bad faith if he refused. But there is still no proof that he has agreed to sign all that is put before him.

His only public statement was his remark on Monday night that he would not stand in the way of the right's implementing its programme. At the same time Mr Chirac said the statement of policy he made on Thursday had first been submitted to Mr Mitterrand — implying it had the President's approval. But a grey area inevitably remains which would enable President Mitterrand to at least influence the wording of decrees.

Enabling legislation means that in the specific areas covered by it the Government can within a stated time adopt laws by decree. The laws have then to be approved by the Cabinet but are not debated in Parliament. All decrees passed by the Cabinet do, however, require the President's signature

Guillaume storms into Brussels

BY IVO DAWNAY IN BRUSSELS

THE nomination of Mr Fraocois Guillaume, the frm union leader, as the new Minister of Agriculture, has been greeted with open-mouthed astonishment by the farming establishment in Brussels.

Rumours of the appointment had spread 24 hours before its official announcement. But few had believed that such a militant champion of the farm lobby would be given the necessarily delicate task of marrying French farmers' demands with the grisly economic reality that now besets the Common Agricultural Policy (CAP).

As leader of the FNSGA France's largest farm union, Mr Guillaume has long been regarded as the EEC's most fundamentalist voice, an Ayatollah among the Imams of interventionalism and central planning.

Only last week at a Brussels conference of farm union leaders, he far surpassed his colleagues with a catalogue of radical demands. These included firm backing for a 4.7 per cent rise in farm prices, programmes of national income aids and an outright cry for holy war in the international market place against the US.

"The EEC ought to be prepared to support a trade war with the US so we can keep our market share," he said before calling for an end to all food imports, including the British holy-of-holies New Zealand butter, and the abandonment of spending ceilings.

Perhaps not surprisingly, even firm advocates of the CAP in the Brussels Commission are more than a little nervous of the whirlwind now imposed on them by Mr Chirac. Many believe that the new Prime Minister made his choice on the grounds that Mr Guillaume was politically less dangerous on the inside.

But few believe that the farm unionist is likely to suffer the poacher turned gamekeeper syndrome. "He hates Brussels and all its works," said one longtime observer," but the trouble is he has no real scope for making it change course.

"The danger is that when he sees he can't win, he will start renationalising the policy, even to the extent of ignoring the rules and paying grant aid to his farmers and blocking lamb imports from Britain and fruit and vegetables from Spain.

"It could become a kind of guerilla war."

The first round in this battle is likely to occur on Monday when the farm ministers meet for their first serious round of talks on the Commission's austerity price proposals. Officials will then watch carefully to see if Mr Guillaume chooses to hold fire by exercising his undoubted charm, or whether he starts right away on his mission to clean out the Augean stables.

Either way, his arrival promises to be galling for the security men who have long guarded against his frequent intrusions to the Council building. One said yesterday: "I have spent the last 12 years of my working life keeping him out of here and now I have to call him minister."

Group gives warning of more bombs in Paris

By Nora Boustany in Beirut

A GROUP claiming to speak on behalf of political prisoners yesterday demanded the release of three activists detained in French jails and claimed responsibility for a bomb attack which killed two people in Paris.

Either freedom for George Ibrahim Abdullah, Faroujian Garabedian and Anis Naccache or more bombs and victims in the streets of Paris, it said in a statement delivered to the offices of a Beirut-based foreign news agency.

The committee for the defence of Arab and Middle Eastern political prisoners in Europe announced that it had carried out a series of explosion in Paris, the latest being the *Champs Elysees* blast.

Abdullah is believed to be the leader of the Lebanese Armed Revolutionary Factions, the group that claimed responsibility for the killings in Paris in 1982 of US military attache Charles Ray and Israeli diplomat Yaacov Barsimantov.

The Lebanese Armed Revolutionary Factions has also claimed responsibility for the assassination in Rome of the US director of the multinational force in Sinai.

Seven people were killed and 55 wounded at Orly airport in July 1983 in a commando operation led by Garbidjian for the Armenian Secret Army for the Liberation of Armenia. Naccache was detained for a murder attempt against former prime minister of Iran, Mr Shahpour Bakhtiar in 1980, also in Paris.

Portuguese deficit budget wins backing

By Diana Smith in Lisbon

PORTUGAL'S parliament has approved the 1986 budget presented by the minority Social Democrat Government. The budget has an Es 470bn (£1.62bn) deficit, caused almost exclusively by servicing an accumulated $16bn (£10.8bn) public debt.

The budget deficit represents 11.1 per cent of gross domestic product and the debt 74 per cent.

The Government of Mr Anibal Cavaco Silva, an economist who wants to liberalise the economy of Portugal, hopes to bring the deficit down to 7 per cent of gross domestic product by 1991.

Speaking just before the vote, Mr Cavaco Silva said that if the budget were passed without radical alterations, the Government would be able to cut prices of all oil derivatives except petrol, which is considered a luxury.

The Government has so far refused to pass on to the consumer the windfall from falling crude oil prices, saying that it needs the tax earned on the prices of oil derivatives to cover food price subsidies.

Ariane launch date

The launch of a West European Ariane-3 rocket with two satellites aboard, aborted in the final seconds on Wednesday, has been rescheduled for March 28, Arianespace director general Charles Bigot said, Reuter reports from Kourou, French Guyana.

Paul Betts reports on the terror challenge to France's new Government

Harsh welcome for Chirac

MR JACQUES CHIRAC, the new French Prime Minister, was plunged yesterday into security crisis even before meeting his ministers at their first Cabinet meeting today. By bombing a shopping arcade on the Champs Elysees and killing two people and injuring 28 others, Islamic fundamentalists have served notice that they intend to pursue and intensify their terrorist campaign in France.

Chirac (left) with his new Justice Minister Albin Chalandon

The atmosphere was one of sadness and anger outside the 'Point-Show" arcade yesterday. Passersby stopped to look at repair workers cleaning up the debris around the site of the bombing and argued among themselves about the latest terrorist attacks in the capital.

"If the new Government fails to do something about the current terrorist situation, it will soon be out of office," said one Parisian standing beside the barriers set up by the gendarmes opposite the arcade and a cinema showing "Revolution" with Al Pacino.

"This Government will do no better than the previous Socialist lot. Le Pen on the other hand would put an end to all this by ordering checks on all foreigners and Arabs and, if their papers were not in order, kicking them out of the country, "was the inevitable answer of one of the growing number of voters who gave Mr Jean Le Pen and his extreme right National Front a great fillip in France's legislative elections last Sunday.

The movement seeking the liberation of Arab terrorists held in France—the Comite de Solidarite aux Prisonniers Politiques Arabes et du Proche-Orient—claimed responsibility in a communique in Beirut yesterday for the Champs-Elysees bomb which went off precisely at the same time as Mr Chirac was named Prime Minister by President Mitterrand.

Even before the Champs-Elysees bomb on Thursday evening, Mr Chirac had appointed Mr Charles Pasqua, a man known for his tough attitudes on law and order, as Interior Minister. His hard-line right-wing views—pure et dure as they say in France—had made him into one of the more controversial choices of the new Cabinet. But under the circumstances, the new Interior Minister, of Corsican origin, will now be forced to live up to his reputation, as will his equally tough deputy, Mr Robert Pandraud, a former head of police and internal security appointed as junior minister for security.

Mr Chirac yesterday condemned the "horrific, inhuman and bestial" bomb attack and pledged that the Government woud reinforce measures to combat terrorism. He called for greater co-operation between western countries and suggested giving French police more facilities to tackle this crucial issue.

Mr Chrac in the past has favoured bringing in similar measures to those the Italian authorities have introduced in recent years to fight terrorism. These include greater police powers for searching and holding suspects.

The new Prime Minister is now bound to come under pressure from voters on his far right and the National Front. With 35 seats in the new Assembly and nearly 10 per cent of the national vote, the National Front of Mr Le Pen is likely to try to capitalise as much as possible from the latest wave of terrorism in France.

Indeed, the National Front is seen to be a real beneficiary in last Sunday'se election of the French hostage drama in the Lebanon. Campaigning on racial issues and for strong law and order, the combination of the Lebanon hostage crisis and the worries about immigrant and Arab labour in France have played into the hands of the National Front leader.

Mr Le Pen's party could now play a pivotal role in the National Assembly where Mr Chirac's coalition of parliamentary right-wing forces has only a slim majority of three seats.

The latest events have immediately highlighted for the new Government France's complex relations in the Middle East. The Islamic fundamentalists are clearly seeking not only to free the Arab terrorists currently in prison in France, but to influence Paris's policies in the Middle East, especially in its role as a key arms supplier to Iraq.

The timing of the terrorist bomb could not have come at a worse time for Mr Chirac. Anxious to try to make his experiment in "cohabitation" with President Mitterrand work and to boost his own presidential chances in 1988, Mr Chirac appeared above all keen to move swiftly on the economic aspects of his programme. But he has now been forced to turn his immediate attention to the security issue which has now inevitably become one of the main popular concerns in France.

Indeed, the bombing overshadowed the announcement of Mr Chirac's new Cabinet on Thursday evening. The new Prime Minister shortly afterwards went to the scene of the tragedy. To compound matters, it was soon learnt that another tragedy had nearly occurred in the Paris Metro system.

A passenger saw what he felt was a suspect bag under a seat in the subway. He threw it out of the window and avoided another bloodbath near the Paris town hall, where Mr Chirac has his headquarters as mayor of the capital.

Just as Mr Chirac had made a point of not making political capital out of the terrorist bombs, the Socialists yesterday reacted with sympathy and restraint to the terrorist ordeal now facing the new Government.

UK NEWS

Walter Ellis looks at the race between the top bookmakers to attract punters and upgrade their image

Betting shops gamble on TV coverage of racing

THE LINCOLN Handicap at Doncaster today is the first big horse race of the 1986 "Flat" and is set to launch the season in fine style. An outbreak of good weather would help, but almost anything, the industry feels, would be better than the Siberian-style cold that caused the cancellation of the entire racing programme in mainland Britain last month.

Big crowds are expected. Many punters savour the sights and sounds of a racecourse almost as much as they enjoy risking their cash, and, for many, the start of the Flat has become an inalienable rite of sprlog.

What of next month, though, when the fever has lessened? This season, racecourse administrators will be watching anxiously to see how crowds hold up overall, especially at the bread and butter meetings in places such as Nottingham, Utoxeter and Carlisle.

From this month, the first time since off-course betting became legal in 1963, television coverage of racing will be beamed direct into bookmakers' premises all over the country. The effects on attendances could be profound.

Ladbroke, the biggest name in British gambling, does well out of its betting shops. Yet, hotels and property are of almost equal importance in the group, while do-it-yourself in the form of the Home Charm stores, was this month added to its core activities at a cost of £200m.

Whether or not betting remains as Ladbroke's central pillar depends on the development of the horse racing industry over the next few years. Amendments to the Betting, Gaming and Lotteries Act, which allow food and soft drinks to be served in betting shops as well as the screening of races, are likely to take bookmaking deeper into the heart of the leisure industry.

Mr Malcolm Palmer, marketing director of Coral, the racing division of Bass, believes the changes in the law are a step in the right direction. They still rule out "aggressive marketing," he says, which would encourage people to regard a trip to the betting shop in the same class as a cinema visit. But at least the shops no longer have to be "seedy."

Coral is proceeding with caution along the high street. It sees television in the shops as the essential reform and is likely to go ahead with large-scale refurbishment and catering only when it establishes there is a demand for it.

There is no such holding back at Ladbroke. A total of £14m is to be spent on its 1,500 shops over the next three years. Nor is there caution at William Hill, number two in the field, which is trying to catch up with its larger rival in the race for improved facilities. Mecca, the smallest of the Big Four, with 640 shops mostly in London and Glasgow, points out that it has had "supershops" since 1982 and operates 250 with added comforts and 12-screen video and TV.

Clearly, it is the televising of races—and other big sporting events—which is seen as the main revolutionary act. Everything else is gloss. Yet the problem with televised racing is that it is dependent on the BBC and Channel Four. When the network cameras are not there, the bookies' screens go blank.

To counteract this, the Big Four have established a new company, Satellite Racing Service. It will provide closed-circuit coverage of workaday meetings and, in an attempt to give the punters an image on which to focus their ambitions, will attend principal greyhound races. It is hoped that the service will start in the next six months, and other bookmakers—and even racecourse owners—are being encouraged to add to SRS's capital base.

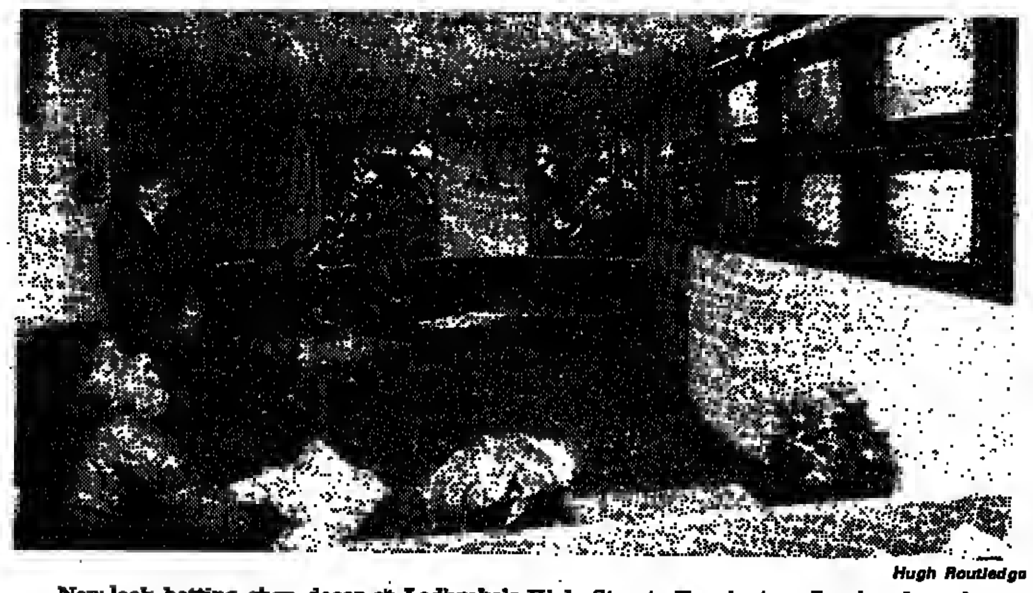
Betting itself has not expanded much in recent years, and this is why betting shops are out to improve their image. While a market share war may be likely some hope for the industry's growth may lie elsewhere. In 1984, Ladbroke paid £28m for a chain of 529 betting shops in Belgium, adding to the 300 it already owned there and giving it some 50 per cent of the total Belgian market.

This month, William Hill, part of Sears Holdings, announced that it too had taken the ferry to Ostend. It has paid an estimated £20m for 345 shops formerly owned by Tierce Franco - Belge and Generale Hippique.

At home, the Big Four are optimistic about the coming Flat season. Some sensations are inevitable. One distinctly unprofligate gambler has already won £82,000 this year on a 5p bet with Coral. Last year, the aptly named Last Suspect romped home at 50-1 against a highly fancied top five in the Grand National.

It is the bookies who make the profits at the end of the day. Whether those profits remain good enough to sustain betting shops as significant money-earners for ambitious companies depends on their ability to integrate into the high street and make the most of television.

Equally, an excess of success could devastate attendances at meetings. The golden egg is nice; the goose that lays it is an investment in the future.



Hugh Routledge

New-look betting shop decor at Ladbroke's High Street, Kensington, London branch

Courtaulds to shed at least 260 jobs on Merseyside

BY FIONA THOMPSON

COURTAULDS, the textiles group, yesterday announced 260 redundancies at its St Helens children's wear factory on Merseyside and placed a question mark over the future of its Seaforth sports and children's wear factory near Liverpool which employs 220.

The jobs in St Helens will go by the end of June, leaving a workforce of 382. The redundancies were blamed on falling orders.

"Despite strenuous efforts, it has proved impossible in a fiercely competitive market to secure sufficient business to maintain operations at St Helens at the present level," the company said yesterday.

The local management has also called for a meeting on Tuesday with officials of the National Union of Tailors and Garment Workers to discuss improvements in working practices which it says "are essential to secure the survival" of the St Helens operation.

In a separate development at its Seaforth factory, Courtaulds management said yesterday they would be meeting union officials on Tuesday to discuss closure proposals.

The factory employs 220 people, over 90 per cent of them women. "There is insufficient work to sustain the unit," Mr James McDonald, senior executive in Courtauld's children's wear group said. Contracts from existing customers will provide work for the complete workforce only for the next four to five weeks.

"Knowing what we do about the order books, there will be a need to close the factory," said Mr McDonald, but he stressed that the company was willing to listen to any sensible union suggestion that might result in continued employment on the site.

"We are not presenting a fait accompli," he said.

Mr Tom Evans, North West divisional officer of the National Union of Tailors and Garment Workers, said he viewed the Courtauld statement on the Seaforth unit as "a declaration of intent to close the factory. I've just been given 90 days' notice of a closure," he said.

Mr Evans blamed yesterday's moves on the impact on the industry of low-cost imports. "We need a strong Multi-Fibre Agreement," he said. "Every garment imported means one less being made in Great Britain and more jobs lost."

Mr Alec Smith, general secretary of the union, speaking in Brussels yesterday at a trade union demonstration against clothing imports, said: "The job losses in Merseyside are the direct result of the inactivity of the Government and the European Commission on imports. If they don't change their stance these losses will be just the prelude to perhaps as many as 40,000 others in the UK clothing industry in the next couple of years."

Courtaulds have shed 50,000 jobs in the UK alone since 1979.

Foreign bank exits exceed entries for first time

BY MICHAEL DIXON

THE END of 25 years of growth in foreign bank representation in the City of London was reported yesterday by the Noel Alexander management consultancy.

Entries of foreign banks to the City in 1985 were outnumbered by exits for the first time since the consultancy's records started in 1960. Total representation fell from the 1984 peak of 459 to 454.

Mr Noel de Berry, the consultancy's managing director, said: "While the steady growth is over, I don't think it indicates a general turn in the tide. It's more a change of emphasis in international banking from commercial lending to investment and securities activity.

"The overseas operations that are pulling out are mostly commercial and retail banks. The investment and securities banks are still growing like crazy in London, taking on more people and hunting for extra office space.

In 1960, only 73 foreign banks were represented.

Eight were American, eight Japanese, one was from the Middle East, 27 from the Continent and 29 came from other countries.

The total of 459 in 1984 consisted of 75 American, 25 Japanese, 35 Arab, 168 Continental and 146 other nationalities.

Entries last year included two American banks, three Japanese, one European, one Arab and two banks from other countries.

NCB inaugurates pilot petrol-from-coal plant

BY MAURICE SAMUELSON

MR IAN MacGregor, chairman of the National Coal Board, yesterday underlined his belief in the temporary nature of the drop in world oil prices by inaugurating work on a £35m pilot plant at Point of Ayr colliery, north Wales, for making petrol from coal.

Asserting that the world was running out of oil, he forecast that from around the year 2000, more than 10m tonnes of coal a year would be utilised in the UK for transport fuel production.

He said: "Unless someone invents a new wonder engine that doesn't need petrol or diesel, we will either have to give up the motor car or find another way to make cheap petrol."

Mr MacGregor acknowledged the serious difficulties which today's falling oil prices posed to the coal industry. "Our answer has to be to produce coal at prices our customers are prepared to pay and to guarantee consistency of quality with security of supply," he said.

The NCB claims that its liquefaction process, developed at its Coal Research Establishment near Cheltenham, is nearly twice as efficient as some other petrol-from-coal processes. The pilot plant at Point of Ayr will process 2.5 tonnes of coal a day into a range of transport fuels including petrol, diesel and jet fuels for aircraft.

Goya sale case go-ahead

A BID to prevent the Spanish Government bringing an action aimed at blocking the sale of an £8m Goya painting next month failed in the high court.

Sir Nicolas Browne-Wilkinson, the Vice-Chancellor, ruled that the Spanish Government, which claims the painting left Spain with invalid export documents, had an arguable case.

He dismissed a joint application by Christie's, the auctioneer, and the painting's owners, Overseas Art Investment, Lord Wimborne's family trust, to have the Spanish Government's proceedings struck out as showing no cause of action.

Christie's said it was not in a position to make a statement on any possible sale of La Marquesa de Santa Cruz. It needed time to consider carefully the judgment and consult its clients and legal advisers.

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7 REASONS FOR STARTING A COMPANY PENSION SCHEME NOW.

(The more hard-headed you are, the more you'll like 'em.)

1. SERPS is unfair and poor value for money.

Once, the State Earnings Related Pension Scheme (better known as 'SERPS') was a gleam in Barbara Castle's eye (remember her?).

It was set up with the admirable objective of providing a decent pension for every employee who wasn't properly looked after by a private company scheme.

In today's cold light of day, however, SERPS looks distinctly like bad news for everyone.

For not only are the pensions it promises to its members actually very poor value for money.

But the eventual cost of providing those pensions on a 'pay as you go' basis (the way Governments pay for everything) could end up making the Trident programme look like petty cash.

2. The Government is planning to make it worse.

Well? What would you do?

To its credit, the Government has decided to face the reality of SERPS, rather than bequeathing its unresolved problems to its successors in the 21st Century.

It is now introducing legislation to reduce the burden of SERPS on future generations.

Which, of course, means further reducing the value of future pensions many existing members can expect from SERPS.

3. But it is prepared to give a subsidy of 6¼% of your wage bill if you set up your own company scheme.

Many companies don't realise that if they contract-out of SERPS they qualify for a substantial saving on their National Insurance Contributions.

It amounts to a subsidy worth approximately 6¼% of payroll costs. A subsidy so substantial in fact, that it will cover most of the cost of running an excellent private pension scheme for the company.

4. It intends to offer another 2% subsidy soon.

And the Government's generosity doesn't end there.

So keen are they to encourage firms to take over the role of providing employees with pensions, that the new Social Security Bill provides for the subsidy on contracted out schemes to be boosted by a further 2% of payroll costs as from early 1988.

5. Your workforce will enjoy substantial benefits. And so will you.

The management of any responsible company will take pride in ensuring that its workforce is going to enjoy full financial security in retirement. But there are also more direct business reasons for starting your own company pension scheme.

Employees who are financially secure are likely to prove both more productive and more loyal. And you'll also find that a good pension scheme can be an important factor in persuading more good people to come and work for you.

6. Every day you waste means more money down the drain.

Even before the present Government began its review of pensions legislation, many companies had already elected to contract out of SERPS in order to provide better pension benefits for their employees at little cost to themselves.

Now the Government has made clear its intention to run SERPS down, it makes even more sense to contract out.

Throwing good money after bad isn't a good idea, and since all contracted out schemes started now will automatically qualify for the extra 2% incentive when it becomes available, there is every reason to act immediately.

7. Crown can set up a scheme for you without delay or problems.

Crown Financial Management is a leading financial services group that already looks after the interests of more than one million people in the UK, and which provides company pension schemes for many thousands of British companies.

Our "Fair Deals For Retirement" Plan has been designed specifically to meet the Government's criteria for contracting out of the State Scheme and thus qualifying in full for the Government's generous subsidies.

Our organisation takes care of everything, from producing descriptive literature in your company's name and explaining the benefits to your employees at specially arranged meetings, right through to paying their pensions when they retire.

Well-deserved pensions that they would not have been able to look forward to, had you not had the foresight – and the hard-headed commercial sense – to redirect a large part of your National Insurance Contributions into your company's own pension scheme.

Stop throwing good money after bad. Send us the coupon. Now.

To: Department FDR, Crown Financial Management, Freepost, Woking, Surrey GU21 1BR. (No stamp required).
Or telephone: 04862 5033. Please let me have full details of Fair Deals For Retirement.

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FT3

FAIR DEALS FOR RETIREMENT

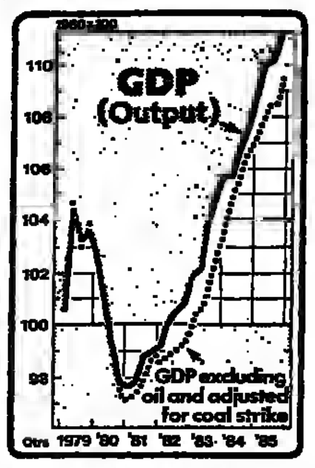
Underlying growth rate edges down to 2.5%

BY PHILIP STEPHENS, ECONOMICS CORRESPONDENT

THE ECONOMY'S underlyiog growth rate edged down to about 2.5 per cent last year from just more than 3.5 per ceot in 1984 and there were signs of further deceleration in the second half.

The Ceotral Statistical Office said yesterday that the average measure of Gross Domestic Product rose by an estimated 3.3 per cent last year. Allowing for the rehound in coal production after the miners' strike, the growth rate was closer to 2.5 per cent.

The average measure of CDP seeks to reconcile the three separate indices—output, income and expenditure—used hy the office to gauge the pace of economic expansion.



The figures ahow that the economy in the first half, grew at an annual 3.5 per cent if the impact of the coal dispute were excluded, hut in the last six months the rate fell to ahout 1.5 per cent.

Officials believe the profile may have been distorted by the advancement of investment into the first part of the year, in response to tax changes, and by erratic oil production. However, they also acknowledge signa of a slowing in the recovery.

The Treasury ia forecasting that the strike-adjusted growth rate would remain steady at about 2½ per cent this year and into the first half of next.

This suggests it is expecting a rebound in growth in the early part of 1986, fuelled by higher capital spending ahead of the new tax year. For this year as a whole the Treaaury predicts a 5 per cent rise in the volnme of capital spending, a similar increase in exports and a 4 per cent rise in consumer spending.

There are also expectations that the latest data may be revised upwards when further information becomes availahle.

Yesterday's figures show that CDP is now about 13 per cent higher than in its trough in 1981 and about 7 per cent above its previous peak in 1979. A substantial part of that growth is a reflection of the build-up of North Sea oil production.

On the basis of output data, excluding oil and adjusted for the coal strike, the growth between the peak in the second quarter of 1979 to the fourth quarter of last year was 4.5 per cent.

A puzzling element in the figures is apparent evidence that the underlying inflation rate in the economy was running at nearly 7 per cent in the fourth quarter of last year.

The CDP deflator shows a rise of 6.9 per cent compared with the corresponding period a year earlier, in apparent contradiction to other price indicators which point to a slowing in the pace of inflation.

Kinnock criticises income tax rate cut

By Margaret van Hattem,

MR NEIL KINNOCK, the Labour leader, yesterday attacked the cut in the standard rate of income tax in last week'a Bndget, saying no more effective way coold be Imagined of making a biased change in general taxation against the poor.

Speaking in his Islwyn constituency Mr Kinnock said the combined effect of the adjustment In tax allowances and the 1p in the £ cut was to give a single person on £60 a week an extra penny a week, while a single person on £250 a week would get 208 times as much.

The £1hn used to finance that tax cut could, Mr Kinnock said, have created 350,000 jobs in a year. Instead, It had gone on a measure which wonld hring in 20,000 jobs "if we're lucky" and not too mnch of the extra spending went on imports.

The Bndget, he said, had shown an extraordinary hlend. On the one hand, it was a remarkable display of careful political planning in which each measnre was attuned to the findings of the opinion polls to prodnce what the Conservatives hoped would swing the votes of potential Tory voters — a budget written by the polsters.

"On the other hand," Mr Kinnock said, "the real problems of Britain's economy, were treated with casual complacency wrapped in a smug cocoon of contrived statistics, — Nero Lawson fiddling the figures while Britain's future burns."

Dr David Owen, the SDP leader, also attacked the use of the £1hn for tax cnts rather than joh creation. He pointed out that neither Mr Kinnock nor his deputy Mr Roy Hattersley was expected to vote against this tax cut despite their criticisms.

It was, he told the Taunton Chamber of Commerce, a decisive demonstration of their irresponsibility

Four Tory MPs to stand down

By Margaret van Hattem,

FOUR SENIOR Tory hackbenchers have announced they will stand down at the next election. Last night, Mr Geoffrey Rippon, Sir Humphrey Atkins and Mr David Cronch told their constituency associations of their plans to retire from Westminster. Earlier in the week, Sir Anthony Kershaw made a similar announcement.

Sir Humphrey, MP for Spelthorne, who resigned from the Cabinet at the start of the Falklands conflict, had served as a Foreign Office minister and as Northern Ireland Secretary.

Mr Rippon, MP for Hexham, and at times a critic of the Government, gave no reason for his decision. He did, however, warmly commend the Chancellor's Budget.

John Griffiths looks at a move to smooth out annual motor sales

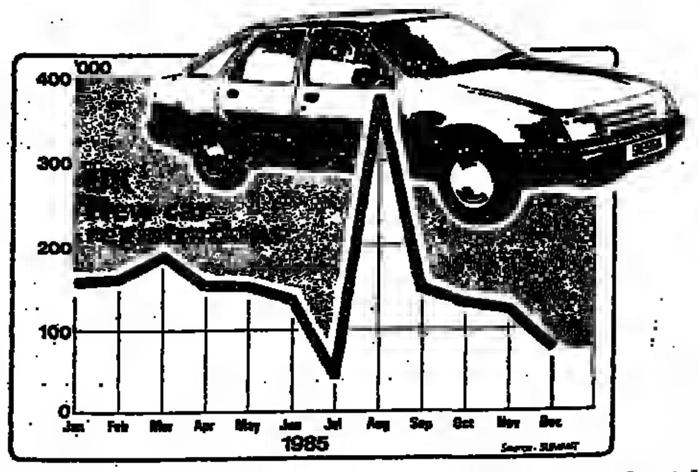
Unleashing a car letter prefix storm

IT WAS not the car, but tha number plate, of the US-registered Volkswagen Rabbit—Golf in Europe—whicb had the necks of Britisb drivers craning on the Hammersmith flyover last month: "Bugs 1."

Whether they liked it or loathed It, the plate provided a poignant reminder that while many Britons nurse neuroses about the registration prefix or suffix of their cars—and wbat it tells about the age of their model—most Americans can dream up any plate they like.

As long as it is not obscene and nobody else has it, the computer will register a personal number, which can be transferred from car to car.

So to foreign eyes the storm unleased hy Mr Nicholas Ridley, the Transport Secretary, in announcing that the month for introducing the yearly prefix letter will move next year from August to October, will be aeen as one in a peculiarly British teacup.



By exploiting the British peochant for one-up-manship, car makers, importers and dealers had created a Frankenstein's monster in the form of the August sales bulge. Last year there were midnight garage queues of owners wanting to drive off in their "C" plate cars in the opening seconds of August 1.

The yearly identified was first introduced in January, 1963—at the industry's request—in the belief that it would increase sales. It appeared to, hut since January was already the peak salea month, the bigger bulge created led to a request for the yearly identier to he switched to August, thus smoothing out annual sales by creating two mini-bulges.

But as the chart shows, the annual August aales bulge now far exceeds January's, and has reached embarrassing proportions. The 373,253 new cars sold in August last year represented 20.36 per cent of the year'a total market. Yet July sales, at 42,428, repreaented only 2.31 per cent. And there has heen a depressant effect on sales also in June and September.

So the system has created a number of problems. They include: cash flow for dealers, in having to stock up in advance for the sales boom, during a period when sales have been severely reduced precisely hecause of August expectations when dealers are likely to be short-staffed hecause of summer phvaical ability to handle the holidays. This taxes their preparation for the flood of new cars; and puts similar stress on servicing operations.

There has heen wide disagreement within the trade and iodustry on bow to flatten the hulge.

Mr Ridley's solution bas brought the Department of Transport itself into the firing line. The Motor Agents Association, repreaenting the bulk of Britain's motor traders, promptly accused the department of choosing October to solve its own prohlems, not the motor trade's.

The department's vehicle licensing centre Swansea has been under heavy strain from the bulge. Officials insist that, witb new computer systems heing inatalled, there should no longer he a problem.

However, Mr Ridley said October "would enahle DVLC staff to cope better"—a statemeot pounced on by the MAA as "ridiculous."

The association, having polled 5,000 dealers, had concluded that most wanted a switch to Junc, ahead of the main holiday period and leaving all summer to diapose of a flood of trade-ins. Austin Rover, proclaiming there was no evidence that the prefix increased sales wanted it scrapped.

BSC warns on unmerited pay rises

Financial Times Reporter

THE British Steel Corporation cannot afford to make pay awards which are not matched by improvements in productivity. Mr Bob Scholey, chairman-designate of the corporatioo, warned last night.

He told the Lincolnsbire Iron and Steel Institute that if the BSC was to meet its recently announced target of £200m a year profit and remain competitive with continental makers, it would have to invest In new plant and continue spendiog £175m a year on maintaining existing facilities.

Mr Scholey hinted that this would leave no scope for pay rises which could not be justified hy Improved efficiency. Every 1 per cent increase in the wages hill added £8m to BSC's costs, be said.

A pay deal which matched current inflation rates and was not covered by better productivity would add £40m to the corporation's costs.

Mr Scholey attempted to dampen any lingering hopes in the industry that it might expect further state aid if the past few years' restructuring had not put the ateel trade permanently into profit.

The European steel Industry had been a heavy burden on taxpayers, he said, and governments might want to focus their attention on emerging industries rather than those whicb continuing to be beset hy problems.

Lloyd's orders agencies to curb insurance trading

BY JOHN MOORE, CITY CORRESPONDENT

THE AUTHORITIES of the Llody'a insurance market yesterday ordered two of the market's underwriting agencies to curb their level of trading on four of their insurance syndicates because their nancial limits may be breached.

The insurance syndicates, formed of Lloyd'a underwriting members, hit hy the decision are sydnicates 561 and 566, managed hy Bankside Sydnicates, the underwriting agency. The other syndicates affected are 197 and 726, managed by Patrick Underwriting Agencies.

Ten other syndicates of the Bankside agency are nnaffected hy the Lloyd's decision.

Both agencles bave been told that they cannot accept business which represents more than 85 per cent of the total financial capacity of the affected syndicates.

Lloyd's is attempting to crack down on overtrading In the market. But many syndicates have run into problems because of the sharp rise in premium rates on many classes of business. The rise in rates has meant that their financial limits have often been breached.

Both agencies have 28 days in whicb to make their case against Lloyd's decision. In the meantime they have been asked to notify their underwriting members.

Budget move clarified over duty on ADRs

BY ALEXANDER NICOLL

THE GOVERNMENT made clear yesterday that a controversial 5 per cent duty announced in Tuesday's Budget would apply only to conversion of UK shares Into American Depository Receipts (ADRs) and to share transfers into certain settlement systems.

In a Parliamentary written answer, Mr Ian Stewart, Economic Secretary at tbe Treasury, said the Covernment had been made aware that the phrasing of the Budget resolutions could have applied the tax to nominee companies which hold securities for other purposes.

The resolutions would be amended, he said. But the changea would not affect imposition of the 5 per cent charge from March 19 on ADR conversions and on transfers into settlement systems which enable trades of UK shares free of stamp dtuy.

An ADR regarded as a US security, is a certificate representing shares which have been deposited in a custodian bank.

More pressure for LME change as another member halts trade

BY RICHARD MOONEY

PRESSURE on the London Metal Exchange to change its trading system in the wake of the tin crisis increased yesterday with the announcement tbat another one of its members is to cease trading.

Holco Trading Company, a subsidiary of E. D. and F. Man, said it was limiting Its LME operations to liquidation of existing contracts and that it was not likely to resume ring trading unless tbe excbange adopted a full clearing-bouse system.

It will remain an LME member, however, and will continue trading physical metal.

Mr Colin Clark, a Holco director and LME committee member, aald misgivings about the current system in whicb traders deal with each other as principals had been brought to a head hy the tin crisis. Something needed to he done in a matter of months, he said.

Even before the tin crisis, there was a large body of opinlon in the market that the principals system was too risky and that the exchange should switch to a clearing syslem similar to that used in London's soft (non-metal) commodity markets.

Holco's decision, whicb means that six of the 28 companies tradlng on the LME when the crisls broke in October have announced their withdrawal from the market, is almost exactly similar to that announced on Thursday by J. H. Rayner (Mincing Lane), a subsidiary of the S. & W. Berisford Trading Company.

Unllke the previous four, Rayner is also retainlng full ring-dealing membersbip of the LME and has said it would reconsider its decision if a clearing-house system were adopted.

Mr Mike Brown, the LME chief executive, said yesterday that the question of switching to a clearing-house system was under consideration "the whole time."

He admitted that Holco's withdrawal—like Rayner's—had Increased the pressure for cbange.

Mr Clarke said Holco had not decided precisely bow the LME system sbould change. But it believed all-day trading should be adopted, as well as traded options.

Tbe exchange should also re-examine its existing contracts such as, for example, silver, wbich is only traded infrequently.

'Militant' 12 move to bar proceedings

By Raymond Hughes, Law Courts Correspondent

TWELVE Labour Party memhers from Liverpool, facing expulsion because they are alleged to belong to Militant, will ask the High Court on Monday to stop disciplinary proceedings being brought against them on Wednesday.

Thelr case began in court yesterday but was stopped wben it was learnt that on Monday their senior couosel, Mr Andrew Collins, QC, could not carry on. The court was told the 12 wanted to restart the case with another QC.

Mr Collina bad told tbe court the procedure proposed by the Labour Party for Wednesday's bearing was manifestly unfair and broke the rules of natural justice. He said "The evidence is so manifestly insubstantial and feeble that there is a real that the party is going to r... in rumour, gossip and malice from political enemies."

Heseltine renews attack on GM deal

BY JAMES McDONALD AND PETER RIDDELL

MR MICHAEL HESELTINE, former Defence Secretary, yesterday renewed his attack on a possible deal with General Motors for Land Rover. The Tory MP for Henley told the American Chamber of Commerce in London, at a lunch, tbat part of the debilitating process of loss of industrial dynamiam was the sale of manufacturing companies to foreign concerns.

He said increasing US ownership of British industry had led to charges that the Brltisb Covernment had allowed overseas companies to pursue their interests rather than a more particularly Britisb interest.

"If every time we run into industrial difficulties we seek foreign buyers, then we are on a one-way downward path.

"Britain has seen its share of world trade in manufactures decline remorselessly, and as a nation there is an ahsence of industrial strategy wbich has led to an export of jobs over rccent decades at an appalling ratc, and a steady sceping away of talent and creative capacity," he said.

He said of British industry: "We are at times too eager to import American managerial skills, for example, rather than acquire them ourselves."

In Britain one in eight manufacturing jobs was now consequent on US investment. He said: "I welcome the fact that 40 per cent of all American investment in Europe comes here. But it means that there is tbree times as much American ownership of British industry as there is American ownership in France."

Fowler details NHS savings

SAVINCS from competitive tendering for cleaning, catering and laundry services in the National Health Service have risen to £42m a year, against £9m a year ago, Mr Norman Fowler, the Health Secretary, told MPa in a Commons written reply.

"These savings are being retained by health authorities for use in running and developing servicea to patients. The resources released are now making a substantial contribution to patient care," Mr Fowler said.

هكذا وجدت بالأصل

High Court hints at talks on legal fees increase

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

LORD HAILSHAM, the Lord Chancellor, was given a clear hint by the High Court yesterday that ha should arrange a timetable for negotiations with the Bar over its claim for a substantial increase in tbe fees barriaters receive for criminal legal aid cases.

Mr Nicholas Phillips, QC, for Lord Hailsham, told tbe court the Lord Chancellor recogniaed that the Bar had a legitimate expectation for negotiations on a report which recommended that barristers' legal aid fees be increased by hetween 30 per cent and 40 per cent.

Tha report was prepared for the Bar by Coopers & Lyhrand, management consultants.

Lord Lane, the Lord Chief Justice, asked why there ahould not he a binding timetable for negotiations. Saying that he would not like to rule against Lord Hailsham, Lord Lane adjourned yesterday's hearing early, with a suggestion that there should be some "hard thinking" before tbe case reaumea on Monday.

In its unprecedented judicial review application against Lord Hailsham, the Bar Is seeking a declaration that he acted unlawfully by imposing increases of 5 per cent on criminal legal aid fees from April 1.

Lord Hailsham was in hreach of his duty under the 1974 Legal Aid Act to fix "fair and reasonahle" remuneration, the Bar contenda. On the hasis of the Coopers & Lybrand report, It claima that fee increases of between 30 per cent and 40 per cent are justifiable.

Computers set to ease county court workloads

BY A. H. HERMANN, LEGAL CORRESPONDENT

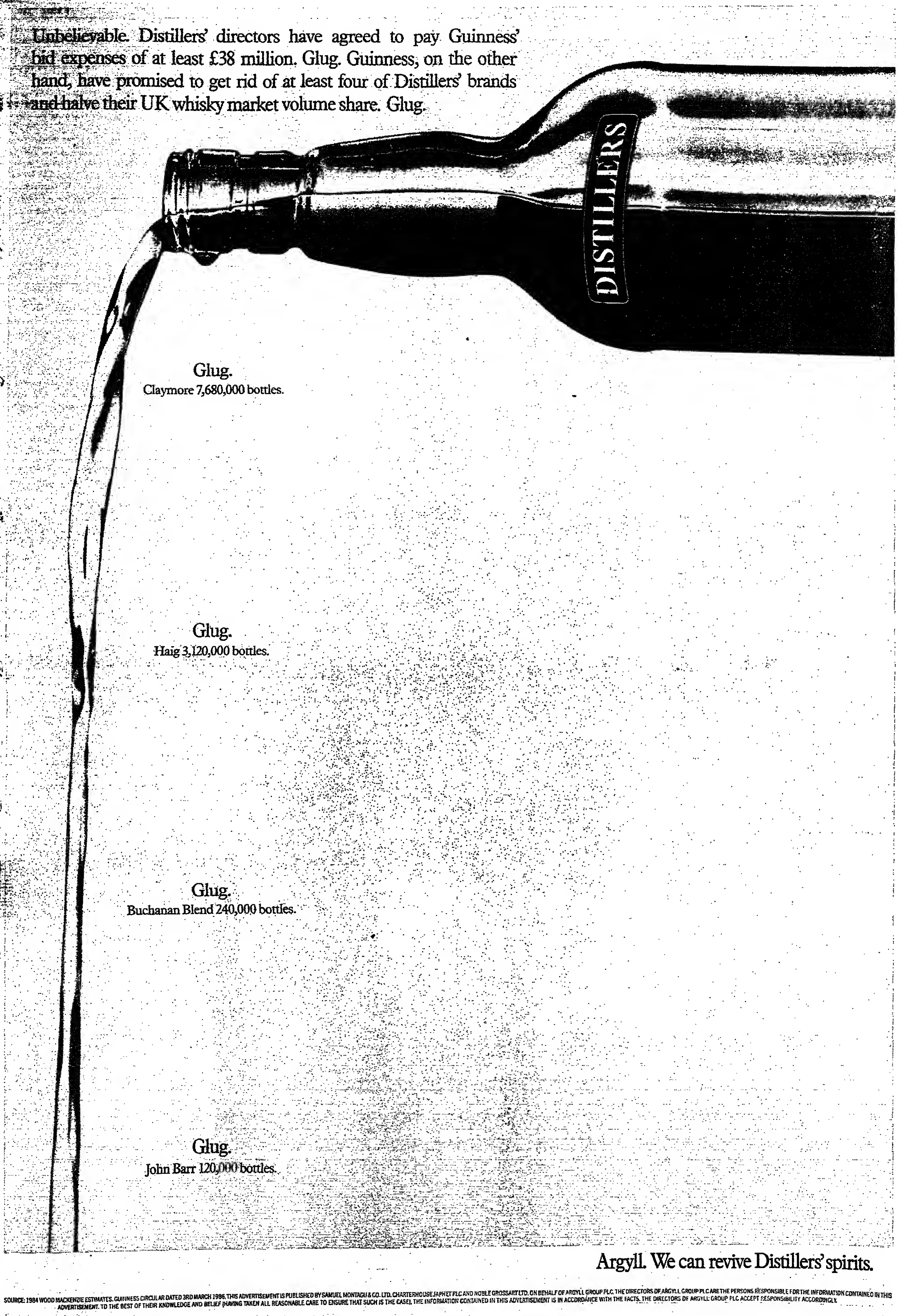
COMPUTER terminals will be installed in county courts in the course of the next five years to help process aome 2m proceedings started each year. Lord Hailsham, the Lord Chancellor, announced the move at the annual dinner of the County Court and District Registrars last night.

Information technology will be introduced to facilitate the most labour intensive administrative work, in the first instance by means of computerised registers of liquidated debt actions.

Answering criticism for not including a provision for a Family Court in the Matrimonial and Family Proceedinga Act 1984, Lord Hailsbam made it clear that "though almost everyone is in favour of a Family Court" he remained firmly opposed to it for two reasons. First, it would mean abolishing the domestic jurisdiction of the magistrate's courts — a measure he fears would he unpopular — and second, the Family Court would cost more in qualified manpower, in bricks and mortar and in money.

The Lord Chancellor said the progresa of the civil justice review had shown the need for radical change in dealing with claims for damages in personal injuries. One proposal is to deal with simpler cases without oral bearings.

Lord Hailsham told his audience: "Much of what is proposed will go against the grain of the ingrained conservatism of the profession."



Unbelievable. Distillers' directors have agreed to pay Guinness' bid expenses of at least £38 million. Glug. Guinness, on the other hand, have promised to get rid of at least four of Distillers' brands and halve their UK whisky market volume share. Glug.
DISTILLERS
Glug.
Claymore 7,680,000 bottles.
Glug.
Haig 3,120,000 bottles.
Glug.
Buchanan Blend 240,000 bottles.
Glug.
John Barr 120,000 bottles.
Argyll. We can revive Distillers' spirits.
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WARWICK INDUSTRIAL RELATIONS CONFERENCE

Broader role for unions spelt out

BY PHILIP BASSETT, LABOUR EDITOR

A NEW role for Britain's trade unions and a fresh attempt to come to terms with growing non-unionism and exploitation was spelt out yeaterday by Mr John Edmonds, general secretary of the General, Municipal and Boilermarkers' Union.

In a speech to an industrial relations conference at Warwick University, Mr Edmonds laid out a framework which would "give the trade union movement the opportunity of establishing a broader appeal." He said that at present trade unionism's public esteem was at its lowest ebb.

Mr Edmond's theory is one of the few attempts within unions—the other main approach is that of the EETPU electricians' union—to try to deal with growing non-unionism, which now involves more than 50 per cent of the workforce.

John Edmonds: ootlined "ambitious package"

Central to this new direction—in which Mr Edmonds said trade unions were normally unwilling to go—is a package of individual rights. These would include: Elementary job security, added protection against unfair dismissal, improved contract law including more notice on employment change or termination, better lay-offs and rednndancy procedures and payments and effective minimum standards on earnings, hours and holidays.

Other features of the package include: improved health and safety legistation, higher physical standards on issues like temperature and humidity and a "fairness" clause not just acting against discrimination, but providing opportunity for talent.

Mr Edmonds said this "ambltious package" would provide unions with two important roles:

● It would give tbem the opportunity of identifying with non-union members who think that trade unions could not or would not do anything for them indlvidually."

● It would enforce the packages provisions, effectively acting as voluntary inspectors. This would make union membersbip attractive to people not in unions.

Mr Edmonds sald traditional union recruitment methods were no longer satisfactory, especially in predominantly non-union areas sucb as the growing seven milllon-strong service sector. Although employees could be drawn into union memhersbip (though not in great numbers in any one establishment, it was difficult to retain them in membership.

Mr Edmonds said improved statutory recognition provisions for unions would be helpful. He douhted whether any future government — inclnding, implicitly, a Labour administration —would be able to bring In such a system, because this might be seen as leaning too much towards trade unions.

Mnch of Mr Edmonds' thinking is based on the findings of a atudy carried out by the union into employment trends into the 1990s, on which it intends to base its own recruitment priorities.

Some interim findings of the study predicted marked falls in employment in mining (18 per cent), mechanical engineergin (14 per cent), shipbuilding (20 per cent), the vehicle industry (20 per cent), chemicals (7 per cent) and the food and drink industries (8 per cent). Some areas—construction (2 per cent), bealth (10 per cent) and services (9 per cent) — would show some increases.

Mr Edmonda said: "I reject the possibillty tbat the trade union movement should ignore that vast area of employment; that it should leave itself trapped in the public services and parts of manufacturing; that it ahould allow itself to he reduced to the sort of ghetto unionism current in the US."

Move towards market unionism welcomed

BY OUR LABOUR EDITOR

INDUSTRIAL relations now stood a greater cbance of legal stahility, free from political interference, Mr Paul Roots, Ford's industrial relations director, told the conference.

He said there were indications that UK industrial relations might move from the pattern where a Labour government strengthened trade unions' legal Immunities and rights under the law, and a Conservative one then introduced a series of legal restrictions. The indications came most notahly now from the unions, which were recognising that the clock could not be turned back on the law.

He thought the most successful initiatives in lahour law, such as introduction of pre-strike ballots, were those which simply accelerated a trend which was io place anyway.

Ford's manual workers were halloted oo pay for the first time thls year. Mr Roots said the hallot rejections of the pay offer had given the unions "considerable moral authority," though he thought such developments were likely to lead to employers deliberately keeping back some money to meet any batlot rejection.

Sir Pat Lowry: sceptical hecause of Wapping dispnte

He welcomed the trade unions' movement towards market unionism in the provision of better services, as typlfied by EETPU, the electricians' union.

Sir Pat Lowry, chairman of the Advisory, Concliation and Arhitration Service, was sceptical of stability in industrial relations law, principally because of the legal implications of News International's Wappiog dispute.

Arguing that in the run-up to a general election oscillation hetween different theories about industrial relations law would increase, he said. News International's dismlssal of strikers was leading to the ldea that going on *strike* should imply a suspensioo of the striker's contract of employment, rather thao its breach.

He said such thinking if applied in practice, would lead to greater legalistic scrutiny of strikes and approach "the inevitable development of the legal enforceahility of procedure agreements."

Mr Nlck Cowan, director of the Clearing Bank Employers Federatlon, said unions were moving towards a more effective way of conducting industrial relations hy challenging management on its own ground.

Unions were becoming much cleverer. They were learning what managements were doing, and questioning them closely on this based on that close knowledge. "The shift is moving from straight confrontation to actually understanding the management process—and actually being hetter at it."

He constrasted this development, which he said was rooted in some new trade nnion leaders' style, with the view of some others; particularly those talking about restoring the framework of industrial relations legislation to 1979 or before.

Mr Cowan said many of the changes which had led to these shifts in industrial relations hehaviour were deep-seated. As an example he forecast a contlnulng decline in British unions to the US level, where unionisation was under 20 per cent, but accepted a challenge from Dr James McFarlane, director general of the Engineering Employers Federation, that such changes were not necessarily irreversihle.

Lloyds staff urged to vote for ban on overtime

By Helen Hague, Labour Staff

THE LLOYDS BANK Gronp Staff Union is urging its 22,000 members to vote in favour of an overtime ban in pursuit of an enhanced pay offer.

The ballot, sanctioned by the union's executive committee after a unanimous conference vote for industrial action, will begin next week.

Lloyds has offered senior clerical grades and managers a 5 per cent increase. This *is in line with the offer made* by the Federation of London Clearing Bank Employers to clerical staff at the bottom end of the pay scale.

The federation negotiates rates of pay for clerical grades, one to four for Lloyds, the National Westminster and Barclays banks.

Senior clerical grades and appointed staff pay increases are negotiated domestically in the three banks, although the federation offer usually sets the trend for in-house bargaining for higher-paid employees.

LBGSU is a constituent *body of the non-TUC* Clearing Bank Union. The federation negotiates with both the Clearing Bank Union and the TUC-affiliated Banking, Insurance and Finance Union.

By balloting its entire membership — including the employees covered by centralised wage bargaining through the federation — LBGSU is seeking to exert pressure for increased rises both domestically and nationally.

A Yes vote in the overtime ballot would act as leverage in both negotiations. The CBU has registered a formal failure to agree in rejecting the federation's 5 per cent offer.

● Both unions recognised for collective bargaining at the Midland Bank—Bifu and the ASTMS — white-collar union have rejected the bank's pay offer of a series of flat-rate increases.

They are seeking early meetings with the bank to discuss grade restructuring proposals.

The Midland pulled out of the federation hefore Christmas to pursue domestic negotiations for all grades.

More backing for political funds

BY DAVID THOMAS, LABOUR STAFF

THE FINAL two unions in the current round of ballots on political funds declared overwbelming votes in favour of keeping their funds yesterday.

This means that all 39 unions with political funds have now voted to retain them.

In addition, two unions previously without political funds have voted to establish them as part of the current series of hallots and about another 12 are due to vote on establisbing them.

The votes were forced on the nnions by the 1984 Trade Union Act and this section of the act is now likely to he seen as the Government's only big misjudgment to date in framing its trade unioo laws.

Yesterday the white collar union, ASTMS, announced that *102,236* members bad *voted* in favour of keeping a fund and 23,996 against. The construction union, Ucatt, voted by 56,733 to 5,295 to retain its fund.

The turnout was the highest ever recorded in a national vote by either union. For ASTMS, it was about 40 per cent and for Ucatt, about *30* per cent.

At the start of the round of baltots, ASTMS, which represents managers, technicians, scientists and supervisors, had been thought the union most likely to lose its fund.

Mr Clive Jenkins, ASTMS general secretary, said: "This is a remarkable response from our members wbo clearly believe that they need to retain a parliamentary presence."

Mr Albert Williams, Ucatt general secretary, said: "The Tory Government bas put politics on the agenda. Trade union members bave demonstrated overwhelmingly with these results that they want their nnions defended against tbe attacks lt bas made on them."

Mr Williams rejected the suggestion, made at times by ministers, that memhers had not been told tbat most political funds support the Labour Party: "In calling for a yes vote, we made it clear that the fund is used to sopport the Labour party," he said.

Westland supervisors may lose bargaining rights

BY OUR LABOUR STAFF

WESTLAND, the helicopter maker, has moved to withdraw trade union hargaining rights for supervisory staff at its customer-support division at Weston-super-Mare, Avon.

The move was criticised hy the Association of Scientific, Technical and Manageriat Staff, the union representing the 90 supervisors, as US-style industrial relations techniques imported in the wake of Westland's recent take-over hy the US conglomorate United Technologies.

Westland denied the move had anything to do with its take-over.

ASTMS said the 90 were told their foreman and chargehand grades were not appropriate for union representation and that they were offered payments of £700 or £600 a year to accept the change.

Mr Clive Jenkins, ASTMS general aecretary, said he was protesting to the Prime Minister: "In view of her support for the United Technologies bid, sbe should be aware they are seeking to import into this country the American *Taft-Hartley* laws which prevent supervisory staff joining trade unions."

Sogat printers accused of breaching court order

BY OUR LABOUR STAFF

MEMBERS OF the print union Sogat '82 at the Scottish Daily Record were yesterday accused of a "wilful" breach of a High Court injunction by bavlng refused to produce in type an editorial comment critical of the union.

Mr Rohert Maxwell, the paper's puhlisher, made the allegation in a sworn statement read to Mr Justice Drake at the start of the company's move to have lhe union published for contempt.

His Scottish Dally Record and Sunday Mall ls seeking a writ of sequestration against Sogat '82.

Mr David Turner-Samuels QC, counsel for the union, read a sworn statement from Mr Bill Miles, the union's officer for national newspapers. In lt, he said he did not believe there had heen a contempt.

But Mr Miles added: "If the court sbould find there was, I am expressly authorised and *instructed to inform the court* that there was no intention on the part of the defendants to commit such a contempt and the defendants express their un*qualified* regret and apology that there should have been one."

Under cross-examination, Mr Maxwell accused Mr Alan Watson, Sogat's officer in Scotland, of "censorship" hy stopping the paper. The proceedings resume on Monday.

BR makes improved pay offer

By David Brindle, Labour Staff

BRITISH RAIL said yesterday it would make a marginal improvement in its previous "final" 5 per cent pay offer to 140,000 railway employees if the unions would accept a move to cashless pay.

However, BR stressed that such an improvement would be "a matter of pence" and the manual railway workers' unions expressed doubta that they would *agree to the change*.

Mr Jimmy Knapp, general secretary of the National Unioo nf Railwaymen, described the cashless pay suggestion as "not a very attractive avenue for me at the present time." He foresaw the move could bring problems.

BR says more than half its total workforce is still paid in cash rather than hy credit transfer.

Mr John Palette, BR's managing director of personnel, told the unions yesterday tbat agreement to credit transfer for all employees would produce cost savings which could finance a slightly lmnroved pay offer.

The *NUR*, the train *drivers'* unlon Aslef and the white-collar Transport Salaried Staffs Association will consider next week whether to pursue the credit transfer proposal or to accept or reject the offer as it stands.

Under the offer, the weekly rates workers below the minlmum guaranteed earnings level—which would rise to £97.95—would increase by an extra £1 over and above the 5 per cent.

هكذا صدر الأصل

APPOINTMENTS

هكذا في الأصل

Chairman of Equity & Law

Following a recent illness, Sir Richard Cave has resigned as chairman of EQUITY & LAW but he will remain a director of the society. The board has elected Sir Douglas Wass as chairman. Sir Douglas became a director of the society in 1984 and is a director of Barclays Bank and the De La Rue Company. He was permanent secretary to the Treasury 1974-83 and joint head of the Civil Service 1981-83.

*

Mr Owen Lamont has been appointed sales director for GEC RELIANCE. He was southern UK sales manager with Case Communications.

*

COLORGRAPHIC PRINTERS, Leicester, has appointed Mr Nicholas P. D. Winks as group managing director to co-ordinate group resources. He was managing director of Crittall Tectonic.

*

Mr Graham Frankland has been appointed managing director of ALLEN-BRADLEY INDUSTRIAL AUTOMATION PRODUCTS (MILTON KEYNES). He was manufacturing director and succeeds Mr John Tyler, who is appointed executive director—European region with Allen - Bradley International. Allen-Bradley is a Rockwell International Company.

*

Mr Nicholas Bodill and Mr Clive Gibson have been appointed directors of J. ROTHSCHILD HOLDINGS (JRH). Following the reduction to less than 10 per cent of JRH's interest in L. F. Rothschild, Unterberg, Towbin Holdings Inc, Mr Francois Mayer and Mr Thomas Unterberg have resigned from the board of JRH.

*

ASSOCIATED BRITISH PORTS HOLDINGS has appointed Mr George Duncan to the board. He is chairman of Lloyds Bowmaker Finance and a director of Lloyds Bank. He is also chairman of Household Mortgage Corporation and his other directorships include BET and TR City of London Trust. Mr Duncan will be joining the ABPH board as a non-executive director in April.

*

Mr Michael Dandy has been appointed assistant managing director of builders' merchants, GIBBS AND DANDY. Mr Dandy, who is a solicitor, was company secretary and is the son of one of the company's former chairmen.

*

Mr Michael Reid has been appointed executive chairman of SENTINEL LIFE. Mr Ian Waddell becomes managing director and Mr Keith Furniss is made the company's first sales and marketing director. Mr Reid and Mr Waddell joined the board last year following the company's acquisition by Aitken Hume International.

*

Mr Allan A. S. Rae, has been appointed to the board of A P BANK. He is chairman of Ciba-Geigy and a member of the executive committee of Ciba-Geigy, Switzerland. Mr Rae is also a director of Turner & Newall, British Brown Boveri, and Brown Boveri Kent (Holdings).

*

STANDARD CHARTERED MERCHANT BANK has appointed Mr M. J. Richardson and Mr J. R. Valdinger as directors; Mr J. Hudson, Mr J. W. Kirkham, Mr A. Pendleton and Mr M. K. A. Wootler have been appointed directors of Seminar Asset Management; Mr J. H. Baldwin becomes a director of SCMB Overseas.

*

Mr Richard Dangerfield, managing director of INFORMATION SERVICES, becomes chief executive; Mr George Shaw is made managing director, ISL Industrial Publications; Mr Stan Brown is appointed managing director, Kompass Publications; Mr Bill Lee becomes managing director, ISL Specialist Publications; and Mr Ian Linkins managing director, ISL Business Systems. The following are appointed publishing directors: Mr David Lammin, Mr Peter Snook, Mr Mike Morris, Mr John Irlam and Mr Gordon Waller. Mr John Richardson becomes marketing director, ISL Industrial Publications. Mr John Clayton, Mr Les Kelly and Mr Paul Oram are made directors of ISL Business Systems. The company is part of Reed Publishing.

*

Mr John Card operations director for HUME PIPE has been appointed managing director in succession to Mr Robert Bowen who has retired.

*

Joint vinyl venture

EniChem, Milan, and Imperial Chemical Industries, London, have made the following executive appointments to the board of EUROPEAN VINYLS CORPORATION, a joint venture being set up to incorporate the VCM/PVC interests of the two partners, when this comes into operation in the near future: chief executive officer Mr J. York, technical director Dr K. Keil, commercial director Mr W. J. Prinselaar, finance director Dr A. Celenza, and resource director Mr A. E. Young. Dr L. Autuori, chairman of EniChem Polimeri, and Mr R. Brown, director, ICI Mond division, will be appointed non-executive directors to represent the shareholders' interests on the board of the joint venture, with Dr Autuori becoming chairman.

*

Mr R. C. P. Wheeler who has been with the company for 30 years, has been appointed managing director of J. JARVIS & SONS. He takes over from Mr R. W. Denney who retires as chairman and managing director on March 31. Mr D. A. Beety will act as non-executive chairman. Mr Beety, together with Mr J. H. Roullier, also a non-executive director, were appointed to the Jarvis main board on November 1 1985. Mr Douglas Jarvis, grandson of the company's founder, is also to retire from the board at the end of March. Mr J. Hugh Jones, chairman of London Shop Property, joins the Jarvis board as a non-executive director from April 1.

*

Mr Ken Symonds has been appointed financial director of PORVAIR. He was with McCorquodale.

*

SHIPTON COMMUNICATIONS has appointed former ICL business systems general sales manager, Mr Keith Goodman, as sales and marketing director.

Senior post at Bestobell

BESTOBELL has appointed Mr David C. Ingman, currently chairman, as chief executive of the group. During the period immediately ahead, Mr Ingman has agreed to combine the responsibilities of chairman and chief executive. He joined the group in August last year and became chairman in September. He was a group director of the petrochemicals and plastics division of ICI.

*

From May 1 DELOITTE HASKINS AND SELLS has admitted to partnership in the London office, Mr David Allen and Mr Tony Hughes in the corporate tax group. Mr Rodney Kaye (also made a partner) will be the first partner from the corporate tax group to serve on secondment in New York. Mr Gareth Davies and Mr Gordon Ireland are made audit partners; while Mr Tim Paley, Mr Doug Smit, Ms Sheila Smith and Mr Ian Walton are all admitted to partnership in the management consultancy division. Mr Frank Atkinson becomes a partner in the Manchester office. Mr Henry Kenyon in Bristol, and Mr Brian Round and Mr David Witton in Birmingham. Mr Timothy Healon has been appointed partner in charge of offices in the United Arab Emirates, Bahrain and Oman.

*

Mr Paul Thornton has been appointed honorary secretary of THE ASSOCIATION OF CONSULTING ACTUARIES for two years. He succeeds Mr Peter Felton.

*

Mr Trevor Maund has been appointed finance director of MORE O'FERRALL. He will succeed Mr L. S. Devereux who is retiring from the board in June. Mr Maund was finance director of First Computers, part of the Heron International Group.

*

The MONOPOLIES AND MERGERS COMMISSION has appointed Mr Stephen Burbridge as secretary. He will succeed Mr Neil Burton, who is retiring. The secretary to the commission is its senior adviser and head of the staff. He is appointed with the approval of the Secretary of State for Trade and Industry. Mr Burbridge was head of consumer affairs division in the Department of Trade and Industry.

*

EUROFI (UK) has appointed as assistant directors Mr Bill Kirkpatrick, Mr Donald Smith and Mr Jim Bunyan. Mr Kirkpatrick was a director of 31 and will be based at Newbury. Mr Smith joined from Lazards and is based at Birmingham. Mr Bunyan has joined the Edinburgh office.

ECONOMIC DIARY

TOMORROW: Sir Geoffrey Howe, Foreign Secretary, to visit Belgrade.

MONDAY: Cyclical indicators for the UK economy (February). EEC Agriculture Council meets in Brussels (until March 25). TUC Finance and General Purposes Committee. Engineering Industry Training Board conference at Royal Lancaster Hotel, W2. Electrical Power Engineers' Association holds conference in Bournemouth. End of Commons debate on the Budget. GLC appeals against Court of Appeal decision vetoing its pre-abolition spending plans.

TUESDAY: China National Peoples Congress meets in Peking. Liverpool City Council budget meeting. Commons gives third reading to Gas Bill.

WEDNESDAY: Overseas travel and tourism (January). Balance of payments current account and overseas trade figures (February). New construction orders (January). CBI monthly trends enquiry (March). Detailed analysis of employment, unemployment, earnings, prices and other indicators. TUC General Council meets. Labour Party National Executive meets on Liverpool Militant probe.

THURSDAY: Personal income expenditure and saving (fourth quarter). Industrial and commercial companies (fourth quarter). Energy trends (January). Unemployment and unfilled vacancies (March). New vehicle registrations (February).

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Saturday March 22 1986

Mr Lawson and the City

MR NIGEL LAWSON did very little of substance in his Budget on Tuesday. This was not necessarily to his discredit; the collapse of oil prices certainly took most of the wind out of his sails. The fiscal stance was hardly altered and the Chancellor did not make a serious effort to clarify either monetary or tax policy. It was a curiously unphilosophical Budget; Mr Lawson became didactic only in order to emphasise the unimportance of oil to the UK economy and the importance of more moderate and flexible wages. For the rest, he contented himself with a shower of fiscal changes such as the minuscule cut in the basic rate of income tax and the juggling of excise duties.

However, if the subsequent performance of bond and equity markets is any guide, the City loved the Chancellor's confident brand of laissez faire. The only moral to draw from this rapturous reception for a "do nothing" Budget is that the City was thoroughly content with the general thrust of government economic policy long before Mr Lawson stood up on Tuesday. Whatever the brokers' circulars may have said before the Budget, the last thing the City really wanted was a change of course. Analysts may find the Chancellor's ebullience a little hard to take but few would willingly swap him for Mr Roy Hattersley or even Mr Roy Jenkins who presented the Alliance's alternative policies on television this week.

Full membership

Some would argue that the City's vote of confidence in Mr Lawson is very much a mixed blessing. What is good for financial markets is not automatically good for the real economy. The point often made is that Chancellors down the years have tended to do too much to mollify the City's "teenage scribblers" and been insufficiently sensitive to the problems of industrialists in the real economy. At any rate, it is hard to think of another powerful country where the financial community exerts such a strong influence on finance ministry officials. Wall Street, for example, has strongly opposed the Reagan Administration's budgetary policies but has been able to do very little to alter them.

At the moment, however, the gap in perceptions between City and industry seems quite narrow. Industrialists are not ecstatic about economic policy —with interest rates at 11½ per cent this would be too much to expect—but they are no longer threatening bare knuckle fights. A large proportion of senior managers interviewed for the Financial Times by Marplan this week said the Budget would be good for both their company and the country. The one significant change of course advocated by the majority was sterling's full membership of the European Monetary System. But this is hardly news for the Treasury.

Industrialists' support for Mr Lawson's "steady as she goes" approach doubtless reflects the strong and comforting recovery of corporate profits in recent years. As the status quo for those companies to have survived the recession becomes increasingly pleasant, an awareness of the risks inherent in any change of course becomes increasingly acute. The thought may be that things could easily be much worse. What is depressing in the FT poll is the gloom cast on employment prospects—55 per cent of managers interviewed by Marplan expect further job shedding in their companies in coming months. Even in the services sector, more than half of those interviewed expected a fall in employment.

The poll does, however, suggest which path the Chancellor should take if he wishes to involve industry more actively in the task of job creation. Profit-sharing is in, it seems, and direct wage subsidies out.

Only advantage

The promise of talks about profit-sharing was not the only Budget announcement designed to promote "popular capitalism." Much discussed since has been the proposed tax incentive for individual share purchase. The initial reaction was that the tax rules governing Personal Equity Plans were not overly generous. They hardly matched France's Loi Monory because the investment would have to be made out of taxed income. In fact, the ability to roll up income and capital gains in PEPs is more attractive than it might seem; the Chancellor is effectively proposing "expenditure tax" treatment for such savings.

The Chancellor's Budget performance was characteristically robust. But the speech leaves a number of unanswered questions. Tax reform, in spite of the Green Paper, is in some disarray. It might help if Mr Lawson restated his commitment to some principle that would be capable of guiding policy in the medium term. The continuing uncertainty over the thrust and content of monetary policy is also damaging. Equally worrying was the vigour with which Mr Lawson chose to attack the conclusions of the Aldington Report on manufacturing industry. In spite of the City's euphoria, it is not easy to be quite so confident as the Government appears to be about the strength of Britain's non-oil economy which has grown by less than 5 per cent since 1979.

THE FUTURE OF AUSTIN ROVER

Still looking for the open road

By Kenneth Gooding, Motor Industry Correspondent

NEXT WEEK, the parting of the ways should become official. The Government is expected to announce the sale of BL's Land Rover/Leyland commercial vehicle division to General Motors, leaving Austin Rover, BL's volume car business, more or less on its own.

The way will then be clear for Mr Graham Day, Mrs Thatcher's personal choice, to take over as chairman and chief executive of a company whose performance and prospects continue to create political trouble for the Government. Mr Ray Horrocks, BL's executive director in charge of cars, believes Mr Day's transfer from British Shipbuilders is a punishment on himself for resisting a potential takeover of Austin Rover by Ford of Europe.

All of this raises two important questions. Is Mrs Thatcher justified in her implicit condemnation of Austin Rover's performance? And what can Mr Day do for the company which has eluded the present management?

It is important to set straight Austin Rover's record so far.

"What hurts most of all is the way Mrs Thatcher keeps giving the impression Austin Rover is some kind of black hole into which taxpayers must keep tipping money," a senior BL executive complains.

In 1979 the company was producing cars customers did not want on outdated machinery with strike-prone workers

The UK Government has provided £2.2bn to BL and because of guarantees given by ministers in the past, is ultimately responsible for the group's £1.6bn of loans. In total that is "equivalent to every family in the UK contributing £200 to BL," according to Mrs Thatcher. But not all the money went to Austin Rover.

Nearly half was spent on rationalising and providing new products for Land Rover-Leyland, and putting Jaguar back on its feet.

In any case, BL has not taken one penny of state cash since November 1983 and the board has promised it will never again approach the Government with a begging bowl.

Austin Rover has come a long way since 1979, when it struggled to find the money to pay the weekly wages bill.

At that time it was producing cars customers did not want on out-of-date machinery in old facilities with a strike-prone workforce. Its cost base was out of control and productivity was among the lowest in Europe.

Its financial performance was dismal—losses were running at £250m a year—and many customers, suppliers and dealers believed it simply could not survive.

Sir Michael Edwardes who moved in as BL's last chairman and chief executive in 1977, based his recovery plan on the notion that, above all, Austin Rover needed to produce cars which people actually wanted to buy. This was his "product-led" revival programme.

The company launched one of the most intensive product-development programmes the industry has seen. By the time the Rover 800 executive car is introduced this summer, Austin Rover will have renewed its model range—from the smallest to the largest—in the space of only six years.

To save some time and development cost, Austin Rover linked with Honda of Japan, at first to build a "stop-gap" mid-sized car under licence and then, in a joint venture project, the Rover 800, code-named XX.

More joint ventures and a plan for Austin Rover to build some cars for Honda to sell in Europe are in the offing. The company wants to keep the ability to develop its own engines, the "heart" of any car. Work is well advanced on a new range of small engines called the "K" series. At the same time Austin Rover has refurbished its car assembly plants at Longbridge, Birmingham, and Cowley, Oxford, harnessing the latest production technology and robotics.

Highly flexible equipment enables the company to break even with an output of about 450,000 cars a year and to earn enough to cover all future product development costs when annual production reaches 650,000.

It is among the foremost users of computer-aided design and engineering in the product development area.

Sir Michael's struggle to establish "management's right to manage" within BL's car division had a profound effect not just on Austin Rover but throughout UK manufacturing industry.

Industrial relations also improved dramatically. In 1985—admittedly the second year of a 24-month deal — the Austin Rover factories were virtually strike-free.

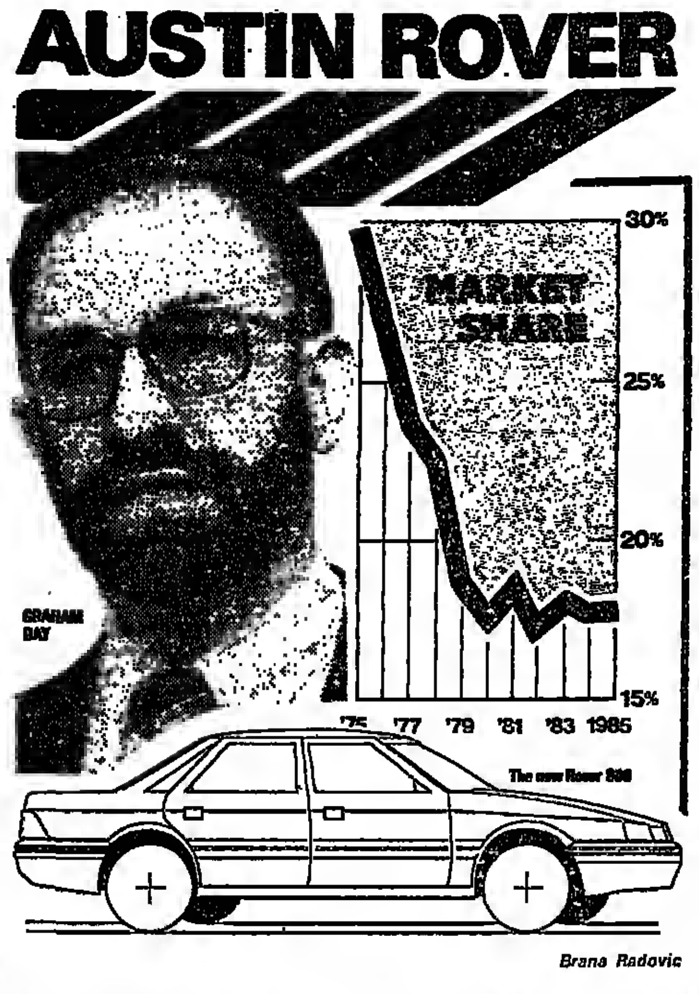
The management claims that output of 14 cars per man per year puts the company's productivity on a par with its best European competitors.

All this was achieved at a time when competitive conditions in the UK and west Europe car markets generally were the most severe in living memory. Most volume car producers either suffered losses or at best made marginal profits, mainly by exporting to the US market from which Austin Rover withdrew seven years ago.

It will not have escaped the Government's notice that GM's Vauxhall subsidiary in Britain saw its net loss soar last year from £9.4m to £47.4m even though Vauxhall sold more cars in the UK than ever and had a record share of the new car market.

Austin Rover's financial results—while still showing red ink—have improved substantially. It has faced the fact that it will never earn a decent living from its domestic market alone, has begun the uphill struggle to improve its dealer network on the continent and is poised to tap potentially lucrative markets in the US and Japan with the new executive model.

Exports rose by 15 per cent from the 1984 level to more than 100,000 last year and it will be disappointed not to add another 15 to 20 per cent to overseas sales this year.



Brana Radovic

Critics, however, complain that the new range of cars is solid rather than outstanding and that quality remains suspect. They note too that Austin Rover's UK market share at 18 per cent in 1985 is still below the 20 per cent target.

There also remains an alarming gap between the 475,000 cars and light vans Austin Rover produced last year and the 650,000 it needs to achieve to cover future product development costs. That gap will not be easily filled.

It has been this constant nagging gap between promise and performance which has bothered the Government. In 1984, for example, just at a time when the company should have been heading towards break-even, the company reported that a net loss of £7.5m had risen to one of £22.5m.

That was the background early last year when the Government and the BL board had to decide whether to continue with Austin Rover's engine development-programme. Some Government advisers argued that Austin Rover would remain too small to justify continuing the engine programme and that the company should buy from Honda or another outside supplier instead.

We have still to learn what is in BL's latest corporate plan or to see Austin Rover's financial results for 1985, but Mrs Thatcher has seen both — and decided to call in Mr Day from British Shipbuilders.

A Canadian lawyer with a reputation for turning round ailing companies, Mr Day will inherit a company in much better shape than was British Shipbuilders when he took that over — or Cammell Laird before it.

There is no easy option of rationalisation and redundancies to solve immediate problems. All that has been done already at Austin Rover, still leaving a fundamental problem: it has a full range of cars without the volume to justify such a spread of models, yet lacks the right image to reduce the range and become a specialist car producer.

Ford says it offered one potential solution. The combined groups would have had an annual car output of well over 1m and at the same time the Rover and MG marques could have been developed as distinctive, up-market or sporty, models.

Mr Horrocks argues the merger would have meant fewer jobs in the UK motor industry and that, given time and the help of cars like the new Rover 800, Austin Rover can develop alone as a producer of specialist, distinctive models.

There is also the question of management style. Sir Michael Edwardes, when he left in 1982 after five stormy years, had put in place an unorthodox management structure. It reflected as much as anything, his belief that the Land Rover-Leyland division should be separated completely from the car business—something the Government was not then willing to consider.

BL has a part-time, non-executive chairman, 70-year-old Sir Austin Bide, the former Glaxo chairman. It also has, in effect, two chief executives, Mr Horrocks for the car operation and Mr David Andrews for commercial vehicles. The two chief executives are the only full-time directors on the six-strong BL board.

As non-executive chairman, Sir Austin has achieved what was thought impossible in the wake of Sir Michael: he has managed to remain almost out of the public eye, putting in appearances only at the BL annual meetings.

Whatever his other attributes, he lacks communication skills and has held back others within BL who wanted to speak up in the company's defence after the arguments with the Government became public knowledge.

Mr Day, at 52, is reasonably young, remarkably energetic, at ease with the media and might put his ability to good effect on Austin Rover's behalf. He cleared his diary for two whole days to talk to press and television after the announcement of his appointment. Four years before, Sir Austin, whose most outstanding trait is his unobtrusiveness, was typically, "not available for comment."

Once the commercial vehicle operations have been sold off, Austin Rover will account for more than 90 per cent of BL.

There will not then be room for two chief executives, which suggests Mr Horrocks will be leaving shortly after Mr Day moves in. (Mr Andrews, BL's other chief executive, has in effect removed himself from the scene by leading the consortium attempting to arrange a management buy-out of Land Rover.)

It must also be open to question whether Mr Harold Musgrove, chairman of Austin Rover, will want to stay on because his role will also be usurped by Mr Day.

Mr Musgrove, who joined the old Austin Motor company at Longbridge as a 15-year-old apprentice in 1945, likes to give the impression he chews six-inch nails for recreation and his abrasive style does not please everybody. Many Austin Rover suppliers complain about the way he treats them—although impartial observers admit that much of the abuse and the "firing" of suppliers has been justified.

Others question whether Mr Musgrove's approach — "whipping people's backsides to get the cars out of the plant," as one put it—is the right one today.

Whatever happens, Mr Day needs to act urgently. As Mr Horrocks points out, Austin Rover is being badly damaged by the uncertainties surrounding BL. He says morale in the company has never been so low during his eight years with BL and Austin Rover's car sales are suffering.

Mr Dan Jones, senior research fellow at the University of Sussex's Science Policy Research Unit, agrees that Austin Rover's future must be settled quickly so that it can have a period of stability. He says Mr Day should take over "sooner rather than later so he can look around as fast as possible for the strengths and weaknesses and make up his mind as soon as possible."

According to Mr Jones, Mr Day will have to address two key issues. First, the quality of the Austin Rover cars. "Quality should be built into cars from the bottom up and all the way through the production process, not dealt with at the end of the assembly line," he says.

Whatever happens, Mr Day needs to act urgently. Austin Rover is being badly damaged by the uncertainties over BL

Then Mr Day will have to "find a distinctive and desirable image which sets the cars apart from those of the competition."

But, Mr Jones points out, it will not be possible "to turn Austin Rover into a BMW overnight. It will take time."

Prof. Garyl Rhys, professor of motor industry economics at the University of Cardiff, suggests that on a wider front there are only two options open to Mr Day: to stay with the existing long-term strategy and build on the links with Honda while maintaining a vestige of independence for Austin Rover, or look for another company to take over Austin Rover.

"Really the only feasible strategy is the one in place, which seems to be working," says Prof. Rhys. "If he introduces uncertainty into the Honda deals and Honda walks away, all he could do would be to sell Austin Rover to someone else. So he should sign the new deals with Honda as soon as possible.

Woman in the News: Sarah Ferguson

The Royal play's the thing

by Margaret van Hattem

"WHAT DO I do?" the Prince must have said to himself when the newspapers began to speculate about his romance. The stronger the attraction grew, the more difficult it became for him, with a flood of gossip, embroidery and sheer invention. And what could *she* do?

Eventually he turned to his friends and one of them sprang into action, arranging with all the proprietors of the popular press that nothing more would appear.

Nor did it—for a while. But even *Lord* Beaverbrook could not put a gag on the American press and the affair between Wallis Simpson and Edward VIII, as the Prince of Wales had by now become, continued to be explored across the Atlantic in scurrilous detail.

Some things *have* changed in the past 50 years, as reactions to this week's announcement of a royal engagement have shown.

There were a few quaint echoes from the past. Burke's Peerage for example. "For the the first time," it wailed, "the brother of a Prince of Wales will be marrying a girl whose private life has, by the traditions of the Royal family, been not only unorthodox, but well-documented in the national press."

Whatever could that mean? The transatlantic voice on the other end of the telephone was distinctly huffy. "There have been six previous romances in six years," it said. "And it's clear—there's no question about it—they were far more than Victorian in nature." The German cousins didn't like it one little bit, the voice added darkly. It was not "the type of Royal weddng the world has expected of the House of Hanover and the House of Windsor."

And The Times came up with a philosophical essay by one J. Enoch Powell, on the Constitution and the Royal Consort, which explored that "most delicate judgment — how far might the constitutional integr- of the monarch's position appear to be diminished by words and acts, political or personal, of members of the monarch's family through all the degrees of propinquity. . . ."

It ended with a stern admonition: the nation depended on the Royal family to show its "good sense" and to understand the British "devotion to established modes and manners."

But these were lone voices. Mr Powell, the Americans, and possibly some of the Duke of Edinburgh's German nieces and nephews, may yearn for the mystique — a mystique that began to build up around the British Royal family in the latter half of the last century, and slowly to disperse in the decades that followed the abdication.

Most of the British seem happy enough to dispense with it—if indeed, for all their love of theatre, magic and mystery, they were ever taken in by it.

The acres of prose in the popular press in the past week suggest that there is still a market for fantasy, but that is not quite the same thing. It is as though the Royal Family existed to live out the fantasies of the *people*—to *be* as elegant, extravagant, rude, slothful, lecherous, witty, gracious or adored as we would all be, had fate treated us better.

Hence the selling point of this week's royal engagement is the sugestion that anyone can

play. (Well, almost anyone—it may help to be descended from the Stuarts, to be a family friend of the Windsors, and if the value of the family acreage runs into six figures.)

So the columnists have been at pains to stress that the Prince's bride-to-be is "a modern young Englishwoman who works in a London office" (the Times); that her clothes "are not cut out to come across looking chic enough in pictures" (the Standard); that she is "a good swimmer and will give anyone a run for their money on the tennis court" (the Mail); that she drives a BMW, lives in Clapham, was head girl at her school (but not particularly bright) and so on and so on.

For many weeks now, the public prints have been loud with references—both coy and explicit—to the previous loves of the prince and his bride-to-be. It would have been idiotic to attempt to conceal his, conducted as they were in a blaze of publicity. And there has been surprisingly little effort to conceal her past affairs. But who minds, and who is to judge?

During the abdication crisis when Geoffrey Dawson, editor of The Times, Cosmo Gordon Lang, Archbishop of Canterbury, and Stanley Baldwin, the Prime Minister, set themselves up as arbiters, no one dreamt of challenging their right to do so.

But their modern-day equivalents, Charles Wilson, Robert Runcie and Margaret Thatcher, make an unlikely triumvirate. And the prospect of their conniving together is as bizarre as that of the Royal Family being impressed by them.

The Times, barricaded behind barbed wire in Wapping, is not the kingmaker it was. The Church, with its controversial reports on inner cities and nuclear disarmament, not to mention its even more controversial Bishops, seems to have lost interest in conventional centres of power. As for Mrs Thatcher, the Westland *affair appears to* have dulled even her appetite for moralising in public.

If public standards of morality are closer to private standards today than they were 50 years ago, there are compensating difficulties for the modern prince. Not least, the appaent impossibility of having any private relationships.

Price Andrew was lucky: the Press, it seems were slow to discover what was happening. Once the discovery was made, all hope of privacy seems to have ended. As he put it, rather wistfully, in the in the television interview this week: "Quite a lot went on before—in fact, rather more than went on after."

But that, evidently, was a matter of entertainment, not morality. And it gives a clue as to what the British do expect of their Royal family. Perhaps what they most want is that they sohuld be worthy and accomplished players in an old and familiar play.

Except for the heir to the throne, they may choose from a wide variety of parts and theatrical traditions—from Restoration comedy to Edwardian pantomime, if they wish. The Queen Mother, Princess Anne, Princess Margaret, Princess Michael of Kent—all have chosen clearly defined and colourful roles.

Prince Andrew, it seems, has opted for one of the oldest and best-loved roles—one which has been getting good notices for more than 500 years, and which is firmly rooted in the nation's religious traditions. As an anonymous Irish poet once wrote:

Don't talk of your alien Minister
Nor his Church without meaning or faith!
The foundation stones of its temple
Are the bollocks of Henry
Prince Andrew and
Sarah Ferguson should do
well.

هكذا عنه بالأصل

Aid reaches the poverty line

John Elliott recently in Orissa, sees how an Indo-British project is helping small farmers

SANDHYA, an 18-year-old bride in the eastern Indian state of Orissa, had the princely sum of Rs 2,500 (£150) spent on her wedding recently and, according to her brother, married a better man than would have been possible a year ago. Her family is also better fed now and the brother, Pradhan, has Rs 20 a month to spend at his local college.

They are one of the successes of a £13.7m five-year British-funded agricultural education project in Orissa and five other states in eastern India. These areas have yet to catch up with the green revolution of northern states like the Punjab. They lack adequate irrigation, do not use fertilisers efficiently and will have priority in the Government's new agricultural policy now being drawn up.

Even the smallest farmer with only an acre or two of poor, unirrigated land is now being cultivated and educated to use fertiliser scientifically, to rotate crops and sometimes to use *high yield varieties.*

Travelling across the flat grey-green coastal plains of Orissa, the projects' fields leap out as bright green well-tended *splashes of colour.*

It is a country where bullock-drawn carts and ploughs plod across the mainly dry soil. Naked children play on unmade *roads leading to remote villages* and local women working near their mud and stone homes pull their loose saris around their shoulders as rare foreign visitors drive by.

The people live on the poverty line. There is a permanent risk of financial disaster if crops are hit by lack of rain or by a pest like the brown plant hopper, now eating its way through rice fields.

The Pradhan family lives with 50 other farming households in Salanandapur village in the coastal Orissa district of Puri, famous for its intricately-carved 12th century Hindu *temples.* Last year the Pradhans invested Rs200 in extra subsidised fertiliser for two of the three acres they farm. They reaped Rs2,000 in extra profits.

It remains to be seen how long they will continue to apply the right fertiliser in the right quantities once the subsidy, which is only paid for a year, is removed. But last year their new riches helped to finance the wedding festivities. "I couldn't have got my sister so good a man for such money," says Pradhan.

Recently he also collected two hoes, a spade, and a certificate—prizes for good rice production from Mr Tony Peers, chief agricultural adviser at the UK's Overseas Development Administration.

Known as the Indo-British Fertiliser Education Project, the aid scheme could eventually have an impact on 2.5m to 3m people in the six states. In its first five years, now ending, it has directly involved 200,000 people in 40,000 households farming 175,000 acres in one-year demonstrations, soil testing, and 50 per cent fertiliser subsidies.

The UK is soon expected to approve a second five-year phase costing £23m to £25m from its total annual aid allocation to India of £115m.

This reflects the British Government's growing interest in providing aid in developing countries for small-scale projects which directly affect people and the economy instead of financing things like steelworks and dams. The ODA regards the fertiliser project as one of its best focused and most effective schemes. New ground was broken when it was launched in 1981 because it employs only Indian agriculturalists, scientists and managers, and does not involve any British technology exports.

"Our success partly is that we have realised our limitations. This is not a country of rapid change and we must move at a pace the farmer can understand. We must also keep his risk to a minimum—he is scared of risk because of its financial implications and knows it better than we do," says Mr Peers.

Although some other aid agencies regard it as an over-expensive project, Mr K. Srinivasan, Orissa's commissioner for agricultural production, says: "If you rate the efficiency by the unit of currency spent in relation to the benefit received by the recipient, this is the best we have in the state."

The World Bank is setting up a broader-based training and visit scheme. It is much larger and is spread more thinly than the ODA project, covering the whole of Orissa with 6,500 village-visiting agricultural extension workers qualified with diplomas, backed by 865 graduate specialists.

This training and visit method, where an expert turns up in a village, gives some agricultural advice for a few hours and goes away for two weeks or so, has many critics and is sometimes termed the "touch and vanish" scheme.

Backed up by monitoring teams from the UK every six months, the ODA project is more intensive and makes use of India's over-supply of graduates—a special factor which experts think might make the project difficult to replicate in other countries.

One third of 290 specialists who spend all their time living in the villages have MSc degrees and the rest have BScs. They are called cluster agronomists and have an average age of 35. The rest of the 600 field staff are at least as well qualified.

All are seconded from the Calcutta-based and heavily over manned Hindustan Fertiliser Corporation. Though a major loss-maker (Rs700m or £42m losses last year on Rs1.54bn sales) the corporation has built a reputation over 15 years for its fertiliser education projects.

The aim is to speed up by at least six years, and maybe as much as 15 years, the scientific application of fertiliser in irrigated areas. This is now being extended in line with Indian Government policy to unirrigated or rain-fed areas.

Orissa has a high rainfall of about 60 ins a year, three times that of richer farming areas such as Punjab in the north, Gujarat in the west and Tamil Nadu in the south. *But only* about 20 per cent of its land is irrigated compared with 45 to 60 per cent in these states, and its consumption of fertiliser is about 14kg a hectare (2.5 acres) compared with an all-India average of 48kg.

"Our irrigation supply is bad and the monsoon is erratic, so it's all in the hands of the rain god and people do not like to invest," says Mr Srinivasan, whose priorities also include improving easy availability of credit.

The ODA scheme has a straightforward economic aim of increasing the country's *agricultural production* and its variety of crops, is also mixed with a more egalitarian aim of improving the livelihoods of the small and marginal farmers who own less than 2.5 acres and make up more than 70 per cent of the total in the project.

The main criticism of th[e] scheme so far is that the OD[A] leaves no organisation behin[d] to continue its work when [it] moves on. Estimates sugge[st] that 40 per cent of the farme[rs] continue with the prescribe[d] fertiliser applications aft[er] their year of demonstratio[n] and subsidy, even increasin[g] the amount of land involve[d]. Another 40 per cent redu[ce the] amount used, while 20 per ce[nt] go back to their old ways.

The ODA hopes the evide[nt] financial advantages will the[m]selves be sufficient to maintai[n] the momentum and overcom[e] problems which could sa[p] enthusiasm such as drough[t,] crop failure, lethargy, heav[y-]handed local bureaucracies a[nd] the ramifications of villa[ge] politics and jealousies.

So far, the project's ma[in] success has been that i[ts] agronomists living in th[e] villages have been able to ove[r]come disillusionment wi[th] earlier visiting officials a[nd] advisors, and prove instead th[ey] can make things happen. Th[e] arrival of a mobile soil-testi[ng] laboratory to examine sampl[es] from all the farmers' fiel[ds] helps to prove this.

"The van's soil-test card wi[th] the farmer's name on it giv[es] him an identity. The small and marginal farmer is perha[ps] for the first time being treat[ed] and advised as an individu[al]. From the day they collect t[he] card from the van they belie[ve] something will happen f[or] them," said Mr Peers as he [led] an ODA inspection team into [a] village to a chant of "Ind[o-]British zindabad" (long li[ve] the project) backed by frenzi[ed] local music.

Stale bread and pan-fried prawns

Nick Garnett looks back on five years as our Northern Correspondent

WEDDING DAY in the *Cheshire village of Prestbury,* 15 miles from the centre of the Greater Manchester conurbation. Now Rolls-Royces line the roadside outside the carpeted parish church of St Peter. The receptionist at the Bridge takes bookings for dinner, a dish of pan-fried prawns priced at £11.50 on the elegant menu.

At the estate agent across the road, near the Turbo Bentley with the Manchester United scarf draped across the rear shelf, a "sold" label obscures the photograph of one of the most expensive homes ever bought in the village. A local man paid £375,000 for the six-bedroom, eight-acre Normanton Hall.

In a rather vulgar and exaggerated way Prestbury epitomises the wealth of the northern shire counties which permeates into the softer suburbs of the towns and cities.

Right across the north these countryside communities look better than ever before and those with money now have more of it. The trouble is that only a minority of the North's 15m people live and work in these semi-rural havens of affluence.

Fifteen minutes' drive north of Prestbury, the motorist hits *the unkempt sprawl* of Britain's second largest conurbation. A century and a half ago, Greater Manchester was the world biggest gathering of manufacturing power. *Now it is the subject of* West German TV film "The Death of a British City." In the clinical sense the city of Manchester at the core of the conurbation is neither dead nor dying—but the disparaging title reflects what many outsiders see as the physical decay and poverty of its working class districts.

The visitor can be easily fooled. The small signs of urban regeneration, in a city like Manchester, the £20m exhibition centre that opened recently in the impressive but once rotting hulk of a St Pancras look-alike railway station, the recently revamped stock exchange and the £25,000 bright red AC Cobra replica with chrome sidepipes for sale at Bauer and Milletts, are testaments to some sort of vibrancy. The flashy, money-making Manchester mafia lives on.

But many of the North's cities and towns are as much characterised by large expanses of faceless housing encasing behind closed doors a depth of deprivation unimagined in the boom years of the 1960s and early 1970s. The housing estates in Middlesbrough like Netherfields and Thorntree where male unemployment runs at over 90 per cent. The tiny shops in Bradford selling cheap, two-day-old bread for consumption by those whose pockets will not stretch to a fresh loaf.

Small retailers in the bleak concrete shopping square of the north eastern new town of Newton Aycliffe offer deals on items as small as a pair of woollen socks. Blackcab drivers in Liverpool, front nearside doors secured by welded steel bars, collect fares through a slit in a protective metal cage.

Blanket conclusions about northern cities, however, are surely too pessimistic. A yawning gap divides Liverpool, where plant closures have so eaten into the city's economic fabric that there is hardly anything recognisable these days as a rush hour, from the Yorkshire "capital" of Leeds. With little more than half the Merseyside unemployment rate, Leeds exudes the air of a thriving commercial community.

The serious plight of the North is masked by a willingness to move the goalposts of acceptability. When steelmaking ended in Consett five years ago—a decision which symbolised the terrible human price paid by economic change—the media descended on the small Durham township. Hartlepool's unemployment has since risen almost to Consett's level—but no one, save those who live there, now takes much notice.

Among common themes in the North is the way investment in big single projects results in such feeble spin-offs in the local economy. Mr Michael Heseltine pointed out on television last month how the Government has helped East London pick up its economic bootstraps. But that is where investment capital wants to go. It does not want to go north. The Merseyside Development Corporation, which Mr Heseltine instigated when Environment Secretary after the 1981 riots, has beavered away for more than four years. A lovely waterfront is in the making but there is little sign that this will provide the economic catalyst for that sad city.

The same difficulty is evident in milder form all over the North.

The fine Metro light railway in Newcastle has helped generate a mini boom of shopping and chintzy nightspots in the Tyne city. The regional economy, though, is so feeble that you can see the lifeblood draining away from its weaker neighbours like North Shields which struggle along the river.

And yet perhaps the real poignancy of the North's crisis is that it is so often invisible. Take Halifax, for example, once a blackened pit with belching chimneys but over the past 15 years transformed into a clean stone town with its architectural heritage intact.

The real tragedy, that of unemployment and low pay, is largely lived out in secret behind the curtains of ordinary homes. For the affluent—even just the working—to live in cities with very high unemployment yet have no friends among the dragoons of the long-term unemployed is normal.

The old schizophrenia in the North about regional and national identity is still there. Manchester still sneers at Liverpool and the richer parts of Yorkshire openly thank God that they have not lost their way in the same shocking sense as the coastal north-east.

Yet the feeling of "northernness" is possibly stronger than ever before. "I think some of these regions in the UK do not actually feel part of the UK anymore," says one official of a large northern chamber of commerce.

Chatting at a Beaujolais Nouveau breakfast hosted by Manchester management consultants, an ICFC manager said *(not entirely frivolously) that* if he lived in Liverpool he would vote for the Militant Derek Hatton.

If the layout and appearance of a factory can govern the quality of what happens in it, the same must be true of the environment.

When Terry Holmes, the former Welsh Rugby Union international, played his first and fateful Rugby League game [for] Swinton, the club knew t[he] national TV cameras would [be] there. Yet nobody bothered ev[en] to repair the big "Swinto[n]" sign above the gates—the O a[nd] one of the Ns was missing.

Tatty environment bree[ds] tatty behaviour.

Nevertheless, as one of t[he] employed it is a big and u[n]pleasant wrench to return [to] London. In many ways the No[rth] is far from dying. We had [a] farewell dinner in an old i[nn] 20 minutes from Manchest[er,] oak beams, crackling fires a[nd] plenty of elbowroom. The f[ol]lowing day we drove throu[gh] the little townships linki[ng] Wigan to the rest of Grea[ter] Manchester, like a redbrick u[m]bilical cord, and joined 13,0[00] others to watch nine tries a[nd] the scoring of 50 points in t[he] Wigan-Hull Rugby Leag[ue] game. Wigan has spent £500,0[00] assembling its team, giving t[he] town at least a place in t[he] scheme of things.

Few people with good jo[bs] who taste working in the No[rth] relish the prospect of returni[ng] to a congested and bad-te[m]pered London. If only capi[tal] investment behaved in the sa[me] way.

Letters to the Editor

A penalty on marriage

From Mr M. Vince

Sir,—I read with interest the comments (March 19) on the Budget. All your writers, however, appeared to miss an important viewpoint on taxation policy, specifically that taxation should not be a factor in personal decision-making.

For example I was hoping for a reform of mortgage tax relief. Whether mortgage tax relief should be extended or abolished is an economic and political argument which is frequently debated and is an argument I do not currently wish to join. It needs changing however, because of one serious defect. A brief description of my personal situation well illustrates the point.

I am, as are increasing numbers of other people, in the position of buying a property with a fiancee. In today's housing market this requires a substantial mortgage, in my case £60,000. If my fiancee and I stay single we are both entitled to £30,000 of relief, but if we marry we are only entitled to £30,000 of relief between us. Thus marriage leads to an increase in our joint tax bill of £95 per month, hardly insignificant.

Why should taxation be such a major factor in deciding to marry? There can be no political or economic rationale for a disincentive to marry which affects only those who are enjoying average or above average earnings. Must we wait for the reforms outlined in the Green Paper before there is any hope of a more equitable treatment?

Mike Vince.
43 Himley Green,
Linslade,
Leighton Buzzard, Beds.

General Motors and Leyland

From Mr N. Martin,

Sir, — I do not agree with the proposition that the best way of safeguarding employment in Land Rover and Leyland Vehicles is to sell them off to a multi-national motor manufacturer.

While it may be true that the financial, marketing and distributive resources that such a purchaser could make available to Land Rover would ensure its future as a four-wheel drive vehicle producer, there could be no guarantee that development and production would remain in this country rather than being transferred to the US or some other production centre such as Spain.

The experience of Jaguar shows what can be achieved in similar circumstances without resorting to a multi-national sell-out.

The real issue is what to do with Leyland Vehicles. My feeling is that unless the government is prepared to keep supporting it in the face of continued adverse market conditions, it will not survive long in its present state no matter who owns it.

Nick Martin.
19 Brayburne Avenue, SW4.

Pension fund surpluses

From Mr R. Morgan,

Sir,—As pension funds are now to be required under the Budget proposals to dispose of excessive capital accumulations, those pensioners whose pensions have been eroded by inflation should press their MPs to see that the Finance Bill is amended as necessary to make the restoration of the original purchasing power of their pensions a prior charge on any excess funds, before any other form of disposal is allowed. After all, what is the prime purpose of any pension scheme?

Reginald A. Morgan.
14 Beeston Fields Drive,
Beeston, Nottingham.

Affording to work

From Mr P. Bennett

Sir,—I read with interest the report (March 14) on the lecture given by Professor Layard of the London School of Economics and hope that you will allow me to comment.

Most of the proposals as reported are sound but the suggestion that 300,000 jobs could be created at £5,000 per annum each "to renovate the urban interface" warrants at least one query which is, quite simply, who is going to fill those jobs? As an employer described as "insane to create jobs in the city of Sheffield" I have met, on more than one occasion, "long term unemployed" who cannot afford to take a full-time job at less than £180 per week gross in order to receive the same amount as they can get "in the hand" with unemployment benefit, supplementary benefit and "black economy jobs."

To silence those who would suggest that such a person must have a young family etc, etc, I am well acquainted with one person, an unemployed labourer from one of Sheffield's works (not the steel industry) and now closed down partly, dare I suggest it, because the company had been forced to pay employees of his calibre some £4 per hour over 4 years ago, who would not accept a job with my company because he could not afford to!

For that reason, together with the fact that expectant and nursing mothers, women and students can all go on the dole, makes any comparison with the 1930s completely untenable.

P. A. Bennett,
Abgroup.
Sonderson St.
Sheffield, Yorks.

Queueing for tunnels

From Mr R. Johnstone

Sir,—Mr Taylor's family from Birmingham, racing south for the Channel tunnel (March 19), need not fret over the 1,568 lorries heading for the Kent coast on that July 1993 morning.

These will, of course, be going on the ferries. The mostly foreign (and 40-tonne) lorries will be conforming to Sherwood's law, which states that if you cannot be at the front of the tunnel queue, then beat it the old way.

The ferry companies and freight hauliers have an intimate understanding of each other's economics. So driving tunnel freight tariffs down through the chalk — and then not buying the product — should be easy.

This leaves the family from Birmingham watching the Freightliner trains. These will be the tunnel's best hope of freight revenues — assuming that the big container boys can be persuaded. Given their market clout that could still be bad news for tunnel tariffs.

Sadly, our family hasn't missed the bad language after all. Dad will have used a good deal of that on the M25 — sitting in the queue at the roadworks for the new tunnel — at Dartford.

Roger D. Johnstone.
87 Shawdene Rd,
Northenden, Manchester

The aims of education

From Mr K. Hepburn

Sir,—Peter Riddell's article regarding UK education (March 11) carried in its final paragraphs the despair of the wavering voters to which I belong. "Spending is necessary to protect the politically very vulnerable flanks at the next election," but it will take more than a cosmetic Department of Education and Science reorganisation, a voucher scheme, or vocational training to restore the health of the educational system because there are three primary questions to be addressed.

An acceptable definition of the purpose of education, encompassing social standards, academic and physical achievement and pupil/trainee development. An acceptable definition of the expectation of the system as to responsibility — parental, teaching, and above all the pupils/trainees themselves. An acceptable definition of freedom of choice between educational establishments. There is no freedom of choice for a caring parent or motivated participant when the options exist solely between a state system (which is manifestly not satisfying the objective of participants) and a private system which is closed to most.

Kenneth J. Hepburn.
8 Starkies, Bury, Lancs.

Exchanges in a theatre

From Mr Edward Petherbridge

Sir, — The theatre criticism of today is the theatre historian's research material of tomorrow. So even at footnote level it should be factually correct. I wouldn't dream of "correcting" Mr Coveney's damning opinions of *My Dream of the Theatre* (March 14) but as to fact: I did not hear while performing that I was being "stirringly heckled throughout by an old man who, when told to shut up, was revealed to be Gordon Craig's son" ("what sort of an excuse does he call that?" Mr Coveney adds). After the exit, however, to catch *The Threepeny Opera* of 15 (not 25) critics, I did see Mr Robin Craig, aged 91, rise *to his feet during my* call and, looking for all the world like his father, extend his arm in a wave which I, impersonating his father, returned.

Simon Callow — there's a theatre historian — actually heard Mr Craig, who is a little deaf now, declare: "I can't hear him, can you?" and exclaim "Caricature!" and then "Bravo Edward!" — this last during an unspoken sequence.

Afterwards Mr Craig, in genial mood, recalled his days on tour with Fred Terry in The Scarlet Pimpernel—a vanished age when a critic might refer to an "elderly gentleman in the stalls," but never an "old man."

Edward Petherbridge.
National Theatre.
South Bank, SE1.

UK COMPANY NEWS

Grattan profits leap : £27m rights

BY LUCY KELLAWAY

Grattan, the Bradford-based mail order company, has increased pre-tax profits by two-thirds to £16m in the year to January 1986, and has announced plans to raise £27.1m by way of a rights issue.

The money will be used to repay bank borrowings created by the group's heavy capital expenditure, and to establish a firmer base for future expansion. Over the last five years, the company has expanded its activities by multiplying the number of mail order catalogues, and moving into direct response, retail and database services.

The terms of the issue are one for six at 370p, compared to a price before the announcement of 442p.

The pre-tax profit was achieved on sales of £266m, up 21 per cent from £221m. Mr John Hann, chairman, says that all four parts of the company did well and that the results, like those over the last five years "indicate very clearly the enormous strides forward the group has made."

He said that all of the mail order catalogues, still by far the most important part of the company, had done well, reflecting the improvement in the goods and in marketing.

The start to the current year was depressed by poor weather in February although trading has picked up in the last two weeks, and the company is confident about its prospects for 1986. Accordingly, a final dividend of 4p net is declared to make the total for the year 0p (3p).

Interest charge was £4.3m (£3.2m) and tax took £3.2m (£649,000). Profit after tax for the year was £12.8m (£9.0m).

● comment

After such a strong, sustained rise in Grattan's share price, investors may have been looking for an excuse to take profits and fell upon an unforeseen rights issue as a chance to do so. However, there is nothing but good news in both the results and in the flexibility given to the company by a well-timed rights issue. Particularly encouraging is the 10.5 per cent increase in sales volumes (achieved with nothing given away on price and with an immaterial rise in distribution costs) and the growth in the old fashioned agency business, which Grattan itself had thought was dormant. Meanwhile its foresight in tackling the direct mail catalogue market is beginning to come good, and with demand moving that way, direct mail may eventually become the most important part of the group. On 428p, down 14p, the shares stand at an unjustifiably large discount to the stores sector on a prospective p/e of 14½, assuming profits of £23m.

Delta increases by 11% to over £50m

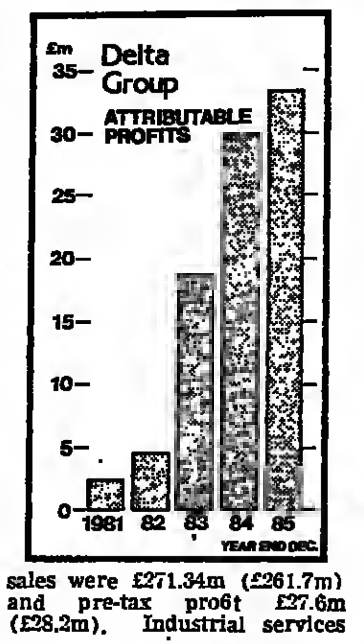
PRE-TAX profits of the Delta Group reached £50.6m in 1985, an increase of 11 per cent on the previous £45.7m. The dividend is lifted by 44 per cent, from 4.5p to 6.5p net per share. The final is 4.15p.

The directors say this quantum change is to allow shareholders to benefit from the enhanced earnings — ahead from 20.9p to 24.5p — and cash flow, and to provide a suitable base for a progressive policy.

Cash flow rose from £6.4m to £35.1m, resulting from cash generated on trading and the disposal of non-mainstream businesses; and has given rise to an improvement in debt/equity ratio of 0.2:1 (0.4:1).

The directors stress that the profit was achieved despite adverse movements in metal prices and exchange rates which reduced it by £3.5m and £9.4m respectively.

In electrical equipment, the largest segment of the business,



sales were £271.34m (£261.7m) and pre-tax profit £27.6m (£28.2m). Industrial services produced turnover of £113m (£167.2m) and profit £16m (£14m), and metals £171.2m (£169.9m) and £7.96m (£7.98m) respectively.

The UK accounted for £36.84m (£36.46m) of the profit. Africa £12.48m (£9.87m), Australia and South East Asia £3.36m (£5.81m), North and South America £1.89m (£2.59m), Western Europe £160,000 (£720,000 loss).

After tax of £14.12m (£14.3m) —a rate of 28 (31) per cent, and minorities £1.32m (£1.33m), net attributable profit works through at £35.17m (£30.06m). There are extraordinary charges of £1.93m (£1.03m).

● comment

The Delta Group could proffer lots of excuses for profits falling below expectations — unfavourable currencies and the plummeting price of copper— but the market was not prepared to listen and the shares fell 11p to 239p. On a positive note, Delta's stream of cuts, closures and disposals is over; costs are under control; cash generation is strong; and activities now concentrate on four core areas — electrical equipment, industrial services, metals and fluid controls. Unfortunately for Delta the negatives outweigh the positives. The level of business is static in almost every division; the company's tax rate is increasing; currencies are unlikely to be any less erratic this year; and the threat of an influx of cheap Chilean copper could bring metal prices tumbling down again. Gearing has been whittled away to manageable levels so Delta is in a position, and of the disposition, to buy growth through acquisition. The City expects profits of £58m for 1986, leaving the shares looking expensive on a p/e of 9.

Garfunkels payment doubled on 61% rise

Garfunkels Restaurants, the 64-strong chain, has expanded its turnover from £18.1m to £22.28m and its pre-tax profit from £2.11m to £3.4m in 1985—percentage gains of 23 and 61 respectively.

In October the group raised £3.4m via a one-for-eight rights issue and subsequently moved from the USM to a full listing. The final dividend on the increased capital is 1.085p and raises the total to 1.3p net; this compares with 0.65p in the previous year

The directors report that the current year has started well and they anticipate another good year. Of the group's restaurants, 56 are in operation and eight will be opening shortly.

Some £5.6m was spent during 1985 on the conversion of 14 Strikes restaurants

Tax in 1985 took £1.24m (£809,000) and minorities £22,000 (£13,000).

● comment

Garfunkel's theme restaurant formula succeeded in putting more bottoms on seats than the most optimistic forecasters had predicted and the share, already highly rated, put on another 4p to 166p. With London's West End now saturated, the company is having to look to the suburbs and beyond for further growth, and the absence of another suitable chain for acquisition means this is going to have to be on a site-by-site basis. This will be hard work and could bring the occasional mistake, but assuming a reasonable success rate some £4.2m should be on the cards for the year. Investors can reasonably hope to escape further cash calls because the proceeds of the last rights issue will help cover the capital spending, but after a 35 per cent tax charge the prospective p/e ratio of over 19 looks well up with events.

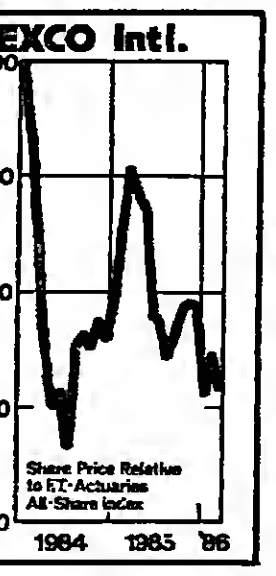
Volatile markets boost Exco Intl.

IN A YEAR of many changes the results of Exco International, the money broking and financial services group, were extremely satisfactory say the directors. Pre-tax profits rose by 21 per cent for 1985 against the previous year's figure, restated for a change in currency translation policy.

On turnover up by 6.3 per cent from £190.85m to £202.94m the pre-tax profit was £87.44m (£72.05m). The directors add, however, that the figures were affected by the sale of Telerate during the period. In 1984 the company, in which Exco held 52 per cent, contributed £46.7m pre-tax, with £34.1m and a further £15.3m from interest and other income from the proceeds in the year under review.

There was an extraordinary credit of £156.26m being the profit, net of tax, on the sale of Telerate.

Earnings per 10p share came out at 15.5p (11.1p) and the directors are recommending a final dividend of 2.6p (adjusted 1.58p) making a total for the year of 4.2p (3p).



The Telerate sale contributed to Exco's £370m cash resources. Towards the end of the year the group exchanged its 50.1 per cent interest in Gartmore Investment Management and its 40 per cent stake in FISDEG for 30 per cent of London Forfaiting, giving it 85 per cent.

Money broking continues to be the group's main business and while the decline of the dollar was a limiting factor, profits were helped by volatility in the deposit and exchange markets.

The pre-tax figure included £898,000 (£834,000) share of associates. The tax charge was £37.3m (£31.35m) and minorities fell to £13.91m (£15.91m).

See Lex

ICH's 28% growth at midway

International City Holdings, whose principal business is money broking, lifted its net attributable profit by 28 per cent, from £3.8m to £4.85m, in the half year ended January 31, 1986. Revenue rose 21 per cent to £24.6m and pre-tax 36 per cent to £6.09m.

The group came to the market last November with a price tag of £37m, having been reassembled from the dispersed parts of the Charles Fulton empire. It has declared an interim dividend of 3p net, as forecast in the offer for sale.

The directors say the profit increase has been achieved in tandem with heavy expenditure.

The second half is traditionally the more profitable, and during this period the company should also benefit from further organic growth and a contribution in the last quarter from MKI Investments, the US inter-dealer broker recently acquired.

During the half year money broking recorded a modest profit growth, and the financial futures broking made a modest contribution.

● comment

In many ways ICH has fallen victim to the market's over-optimism. The company's profit record has been extraordinarily good, but extraordinarily good increases in profit are easy to achieve when building from a base of near-collapse. These interims fell ever so slightly below expectations and the City shaved 2p off the shares to 193p. ICH's chief concern is to dampen down expectations for the full financial year. Profits of between £15m and £16m seem reasonable producing a p/e of 7.5. Given that both the summer and Christmas holidays fall in the first half of the financial year, ICH's second half is always stronger than the first. The end of year results should benefit from three months of profits from MKI, the New York security broker it acquired last month, and from the money broking boom in both the US and the UK. In the longer term ICH is well prepared for Big Bang when its embryonic financial futures, fund management, technology and inter-dealer broking interests should come to fruition.

Pleasurama keeps up expansion and profits pass £37m

WITH THE help of Trident Television, the profits of the Pleasurama group for 1985 have been pushed up to £37.52m, and the directors consider this to be a significant achievement.

They are encouraged by the group's continuing progress and the success of its strategy. They view the future with considerable confidence.

Shareholders receive a final dividend of 5.75p which makes the net total 7.5p. The previous financial period covered 15 months to December 30 1984, and the total dividend was 5.75p adjusting for a one-for-one scrip issue.

This year's results include Trident TV (casino operator) from February 22 and a full year from Associated Leisure. In the previous 15 months the group made £25.25m, taking in AL from the March acquisition date.

During the year all the group's properties were professionally valued, giving a surplus of some £100m.

Turnover in the year expanded from £108.48m to £160m and the trading profit from £23.52m to £39.5m. Associated companies contributed £1.7m (£2.8m) while the net interest charge was up from £1.07m to £3.68m.

The directors say the healthy balance sheet, low level of gearing, and the continuing strong positive cash flow leaves the group well placed to expand.

Results of the holiday division showed a good advance, while profits of the hotel and leisure divisions also improved.

The enlarged London casino side performed better than expected and achieved excellent profitability, notwithstanding the impact of a full 12 months rise in gaming licence duty and the increased competition from new and relocated clubs.

The 17 provincial casinos again traded successfully and results were well up. The amusement machine division had another good year.

After tax £15.45m (£11.73m) the year's net profit comes to £22.1m (£13.52m), giving basic earnings of 25.3p (21.2p) and fully diluted 20.7p (nil).

● comment

The punters continue to rush to London's gaming tables and not surprisingly therefore just under half of Pleasurama's pre-tax profits came from its five casinos in the capital. On an annualised basis it was the casinos, London and provincial, and the hotels that gained the most. The Midlands-based holiday concerns came in just ahead of the inflation rate and general leisure did little better than wash its face. Growth is likely to come from infill in the provincial casino area, the group leads a fairly widespread market here with 17 of the 100 or so clubs, and in boosting amusement arcade/one-armed bandit hire activities. For the current year £48m should be possible especially as interest charges will be lower due to the smaller refurbishment bill. The shares at 375p, down 16p possibly because some in the market were expecting that Trident's casinos (in from March) would contribute even more generously, are on a prospective p/e of 13.

Bestwood profits rise sharply to £683,000

BY RICHARD TOMKINS

Bestwood, the financial, industrial and property services group, headed by Mr Tony Cole, yesterday reported a sharp rise in pre-tax profits from £264,000 to £683,000 for the year to December and said it would send out details of its offer for The Country Gentlemen's Association this weekend.

Bestwood's 1985 figures include a full year's contribution from its financial services division on a merger accounting basis, but the Foraky group, acquired in November, is included for only a month.

Mr Cole says that before the contribution from Foraky and the interest on the bridging loan used to acquire it, profits would have been £703,000 compared with the £650,000 forecast at last November's rights issue.

Turnover was up from £2.1m to £4.4m. Financial services contributed £1.7m, the industrial division £2.7m and property services just £8,000. A dividend of 6p is recommended —the same as last year but on an enlarged share capital.

Two Bestwood shares are being offered for every CGA share with a partial cash alternative of one Bestwood share and 350p cash. With Bestwood's shares down 5p at 440p last night, the share offer is worth 880p for each CGA share and the partial cash offer 790p.

CGA's shares were unchanged at 775p yesterday.

CGA provides insurance broking and other financial services to its 32,000 members through its monthly magazine and also through eight shops.

Bestwood wants to merge its own financial services division with GGA's under the name "CGA Financial Services."

It believes it can extract higher profits from CGA's assets than the present management and is therefore prepared to pay a high price. On CGA's pre-tax profits of £200,000 for the year to March 1985, the exit p/e ratio is 63.

An irrevocable acceptance has already been received for Lord Tanlaw's holding in CGA, and Bestwood holds another 2.1 per cent itself.

Hill Samuel makes £8m Singapore loss provision

Hill Samuel, the merchant bank, is preparing to make provisions of up to £8m to cover its exposure to the volatile trading conditions on the Singapore stock exchange.

The bank said yesterday it is contributing £7m in further capital to Hill Samuel Merchant Bank Asia, which has loan and forward share purchase exposures relating to transactions in Singapore, against which provisions of up to £8m will have to be made.

"Having regard to the exceptional circumstances in Singapore any such provisions will be charged directly to inner reserves."

Mr Dolf Mootham, finance director, said: "We have taken a realistically worst case basis. With the market in disarray we are assuming that three quarters of the local brokers will go bust."

Hill Samuel added that its acquisition of Wood Mackenzie, the Edinburgh-based stockbroker, will be completed on April 7. The net cost for the 70.1 per cent stake will be £15.2m, a minimum of one third of which will be met by the issue of ordinary shares with the balance in cash and loan notes.

George Oliver down £1m

UNSEASONAL WEATHER throughout 1985 made trading difficult for George Oliver (Footwear), and although costs were contained pre-tax profits dropped by £1.03m to £1.66m. At the half way stage there was a £169,000 loss.

Sales for this Leicester-based footwear distributor improved by nearly 11 per cent, but trading fell far short of the company's expectations. Apart from an uplift with the first snowfall in November, directors say that the autumn and Christmas period was little better.

Tehy are recommending a 1p increase in the total dividend, however, to 9p with a 7.2p (6.4p) final. This will be paid from lower earnings of 22.37p (33.59p) per share.

Sales during the first two months of the current year have been very slow, they add. The cold spell has adversely affected a period in which the company would expect spring and summer ranges to start selling.

The pre-tax result included property rental income of £173,000 (same), and other operating income of £5,000 (nil). Profit on property sales fell from £1.17m to £478,000, and there were interest charges of £826,000 (£719,000).

Tax was virtually halved to £437,000 (£863,000), and minorities took £3,000 (nil).

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Bestobell	6	May 30	—	8	5.7
Bestwood	6	—	6	6	6
Delta Group	4.15	June 2	2.63	6.5	4.5
Exco Intl.	2.6	June 16	1.58*	4.2	3*
Garfunkels	1.09†	June 12	0.44*	1.3	0.65*
Grattan	4	—	2	6	3
George Ingham	1	May 13	0.5	1.5	1
International City ...int.	3	May 12	—	—	—
Lond. & Strathclyde int.	1	May 12	0.85	—	2.65
George Oliver	7.2	May 12	6.4	9	8
Pleasurama	5.75	July 2	4.5*	7.5	5.75*¶
Reliable Props. ......int.	1.25	—	1.25	—	3.5
Trinity Intl.	10.8	April 25	8	15	12.2

Dividends shown in pence per share except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. ¶ For 15 months. § Unquoted stock.

UB lays claim to 22% of Imperial

By Martin Dickson

THE £2.4bn takeover battle for Imperial Group intensified yesterday when United Biscuits announced that it now spoke for 21.89 per cent of Imperial's shares, just above the 21 per cent which rival bidder Hanson Trust has announced it controls.

United said that by yesterday, the first closing date of its offer, it had received acceptances from the holders of 6.95 per cent of Imperial's shares, to add to the 14.9 per cent it had bought in the market. Most of the acceptances came from small investors.

Hanson Trust gained acceptances from the holders of 12 per cent by its first closing date, a week ago, and it has also bought 9 per cent in the market.

Sir Hector Laing, chairman of United, said the level of acceptances at United's first closing date was very encouraging, particularly since the Office of Fair Trading had yet to clear the agreed bid. He expected this OFT decision shortly.

However, Hanson Trust said it regarded the level of United acceptances as "very good news." It added: "It is normal practice for small shareholders to listen to their board and we would not have been surprised if United had got significantly large acceptances at this stage."

Hanson added that it had received more aceptances during the week, but declined to put a figure on them.

The merger seems unlikely to be referred, since Imperial has tried to overcome competition objections by agreeing to sell Golden Wonder, its snacks business, to Dalgety for £54m. Yesterday the Government decided not to refer the proposed Guinness - Distillers merger because of a similar disposal deal.

Shares in United closed unchanged last night at 239p, valuing its offer of shares, cash and convertible preferred shares at about 234p for each Imperial share. Hanson closed at 183p, down 1p, making its offer of shares and convertible stock worth 374p a share, and its shares and cash offer worth 336p a share. Imperial closed at 344p, up 5p.

Lee reduces stake in Media Tech.

Lee International, the world's largest supplier of equipment to the film industry, which is to be floated on the stock exchange next week has sold 2.6m shares in the USM quoted Media Technology International.

The shares have been placed with institutions as a part of Lee's pre-flotation arrangements, and have reduced its stake in the group, which hires out film cameras and lenses, to 29.9 per cent.

Lee was poised to come to the market last autumn, but the flotation was delayed following the acquisition of Humphries Holdings. The company is owned by brothers Mr Benny and Mr John Lee who founded the company in 1961 and have built it up into a group with a likely flotation value of £100m.

Demerger extends bid for Extel

Demerger Corporation's unusual £173m hostile takeover bid for Extel, the business and sporting information group, has been accepted by the holders of just 0.2 per cent of the company's ordinary shares by the first closing date. The offer has been extended until April 11.

Mr Alan Brooker, Extel's chairman, said: "We are disappointed they have chosen to extend the offer as it appears to be a wasteful exercise."

Thos. Robinson

Pre-tax profits of Thomas Robinson & Son, engineer and machine maker, dropped from £507,000 to £411,000 for the year ended December 31 1985, on lower turnover on £10.15m, against £11.37m.

Profits were after interest payable of £47,000 (£57,000) and included share of associate's profit of £6,000 (£4,000). Tax took £49,000 (£84,000) and stated earnings per 25p share were 7.3p (9.7p). There is again no dividend.

Armitage Brothers

Armitage Brothers, pet product maker, suffered a fall in pre-tax profits from £366,000 to £246,000 for the 28 weeks to December 14, 1985, in spite of turnover £1m higher at £9.59m.

Net interest payable rose sharply from £107,000 to £194,000. After tax of £96,000 (£143,000) earnings per £1 share were 37p (56p).

Reliable Properties

Pre-tax profits of Reliable Properties fell from £478,000 to £252,000 for the half year to December 31, 1985. Earnings per 25p share declined from 10.9p to 6.3p, but the net interim dividend is maintained at 1.25p.

Net profits on the sale of properties were £256,000 (£400,000), while rent and charges receivable came to £845,000 (£857,000). Property outgoings totalled £361,000 (£516,000)

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS — Figures in parentheses show number of stocks per section

	Equity groups & sub-sections	Fri March 21 1986 Index No.	Day's Change %	Est. Earnings Yield% (Max.)	Gross Div. Yield% (ACT at 30%)	Est. P/E Ratio (Net)	xd adj. 1986 to date	Thurs Mar 20 Index No.	Wed Mar 19 Index No.	Tues Mar 18 Index No.	Year ago (approx.) Index No.	1985/86 High		1985/86 Low		Since Compilation High		Since Compilation Low	
1	CAPITAL GOODS (212)	731.22	−0.2	7.87	3.26	15.97	2.04	732.48	724.14	716.82	553.61	732.48	20/3/86	483.38	25/7/85	732.48	20/3/86	50.71	13/12/74
2	Building Materials (24)	820.53	+0.7	8.00	3.32	15.66	1.06	815.20	802.90	775.98	502.96	820.53	21/3/86	472.11	26/2/85	820.53	21/3/86	44.27	11/12/74
3	Contracting, Construction (27)	1167.86	−0.7	7.89	3.82	16.79	3.46	1175.53	1163.77	1126.66	698.68	1175.53	20/3/86	684.17	6/3/85	1175.53	20/3/86	71.48	2/12/74
4	Electricals (13)	1991.25	−0.5	7.36	3.82	17.70	1.50	2000.94	1984.67	1949.78	1536.82	2000.94	20/3/86	1289.36	10/7/85	2000.94	20/3/86	84.71	25/6/62
5	Electronics (38)	1668.72	−1.6	8.80	2.75	14.94	8.09	1696.11	1690.39	1722.19	1726.81	1977.60	9/1/85	1229.81	6/10/85	2049.85	13/11/84	1229.81	8/10/85
6	Mechanical Engineering (64)	418.27	+0.5	8.37	3.56	14.60	1.27	416.16	409.72	402.44	300.48	418.27	21/3/86	263.85	25/7/85	418.27	21/3/86	45.43	5/1/75
8	Metals and Metal Forming (7)	332.66	−0.9	6.62	5.15	18.43	0.00	335.57	332.12	326.44	195.11	335.57	20/3/86	165.08	14/1/85	335.57	20/3/86	49.65	6/1/75
9	Motors (17)	293.15	+0.8	8.05	3.29	14.88	0.73	290.80	286.67	283.96	167.95	293.15	21/3/86	142.57	3/1/85	293.15	21/3/86	19.91	6/1/75
10	Other Industrial Materials (22)	1341.80	+0.3	6.13	2.96	19.61	2.60	1338.03	1317.88	1305.77	957.20	1341.80	21/3/86	828.60	3/1/85	1341.80	21/3/86	277.55	15/1/81
21	CONSUMER GROUP (184)	941.65	+0.5	7.15	3.00	17.61	2.93	936.94	922.52	908.48	641.93	941.65	21/3/86	604.96	3/1/85	941.65	21/3/86	61.41	13/12/74
22	Brewers and Distillers (24)	963.58	+2.0	8.17	3.21	15.59	4.04	944.38	919.95	884.28	572.42	963.58	21/3/86	550.86	3/1/85	963.58	21/3/86	69.47	13/12/74
25	Food Manufacturing (22)	674.60	+0.8	9.05	3.84	14.30	3.75	669.08	659.32	652.54	505.27	674.60	21/3/86	471.62	25/7/85	674.60	21/3/86	59.67	11/12/74
26	Food Retailing (14)	1925.80	+0.1	6.24	2.41	21.80	5.78	1922.28	1920.44	1871.52	1483.88	1925.80	21/3/86	1400.36	1/3/85	1925.80	21/3/86	54.25	11/12/74
27	Health and Household Products (10)	1569.81	+1.3	4.85	2.08	24.18	0.25	1549.46	1536.37	1555.18	1028.49	1569.81	21/3/86	980.65	11/4/85	1569.81	21/3/86	175.38	28/5/80
29	Leisure (25)	953.41	−0.9	7.20	3.67	18.01	9.78	962.09	945.79	923.87	686.90	962.09	20/3/86	590.69	12/7/85	962.09	20/3/86	54.83	9/1/75
32	Publishing & Printing (13)	2330.52	+1.0	7.25	3.95	17.40	2.36	2306.72	2283.95	2253.39	1742.99	2330.52	21/3/86	1445.15	3/1/85	2330.52	21/3/86	55.08	6/1/75
33	Packaging and Paper (15)	465.27	+0.3	7.42	3.43	16.02	0.31	463.79	455.41	446.25	319.81	465.27	21/3/86	286.36	3/1/85	465.27	21/3/86	43.46	6/1/75
34	Stores (43)	921.23	−0.1	5.80	2.39	23.31	1.06	922.59	901.13	883.75	591.64	922.59	20/3/86	529.47	19/2/85	922.59	20/3/86	52.63	6/1/75
35	Textiles (15)	554.98	+1.1	6.95	3.29	16.45	0.28	549.14	547.27	536.88	327.94	554.98	21/3/86	293.07	3/1/85	554.98	21/3/86	62.66	11/12/74
36	Tobaccos (3)	1154.39	−1.3	11.43	4.31	10.08	6.49	1169.87	1156.94	1151.48	915.21	1169.87	20/3/86	714.72	26/9/85	1169.87	20/3/86	94.34	13/6/62
41	OTHER GROUPS (86)	850.21	−0.1	7.95	3.51	16.06	4.02	851.06	837.47	840.73	680.37	854.07	12/3/86	645.99	3/1/85	854.07	12/3/86	58.63	6/1/75
42	Chemicals (19)	945.46	−0.2	9.85	4.29	12.23	14.35	947.14	942.69	947.12	773.29	955.30	14/3/86	645.96	26/9/85	955.30	14/3/86	71.20	1/12/74
44	Office Equipment (4)	259.64	+0.2	7.46	3.88	15.97	3.81	259.23	258.31	247.88	183.54	259.64	21/3/86	154.76	3/1/85	259.64	21/3/86	45.34	2/1/75
45	Shipping and Transport (12)	1640.69	−0.9	6.24	3.56	19.86	0.00	1656.27	1620.62	1623.42	1156.06	1656.27	20/3/86	958.08	3/1/85	1656.27	20/3/86	90.80	29/6/62
47	Telephone Networks (2)	1021.69	−0.3	8.07	3.21	17.00	0.93	1024.52	995.57	1004.86	850.21	1042.41	12/3/86	781.92	3/1/85	1042.41	12/3/86	517.92	30/11/84
48	Miscellaneous (49)	1038.04	+0.5	6.69	3.29	18.29	2.34	1033.97	1030.97	1027.82	819.37	1038.04	21/3/86	787.88	26/7/85	1038.04	21/3/86	60.39	6/7/75
49	INDUSTRIAL GROUP (482)	873.75	+0.2	7.52	3.19	16.79	2.98	872.13	859.47	851.43	637.63	873.75	21/3/86	599.75	3/1/85	873.75	21/3/86	59.01	13/12/74
51	Oil & Gas (18)	1193.82	−0.2	18.21	7.70	6.48	21.65	1196.14	1193.23	1184.45	1197.88	1239.75	15/2/85	1042.21	3/1/85	1239.75	15/2/85	87.23	29/5/62
59	500 SHARE INDEX (500)	902.91	+0.1	8.61	3.65	14.45	4.44	901.58	889.65	881.47	684.43	902.91	21/3/86	636.98	3/1/85	902.91	21/3/86	63.49	13/12/74
61	FINANCIAL GROUP (118)	618.01	−0.5	—	4.08	—	4.82	621.39	607.83	600.90	465.41	621.39	20/3/86	430.10	4/1/85	621.39	20/3/86	55.88	13/12/74
62	Banks (7)	686.63	−2.9	16.73	4.88	8.40	11.28	707.33	665.31	645.31	453.82	707.33	20/3/86	420.58	15/4/85	707.33	20/3/86	62.44	12/12/74
65	Insurance (Life) (9)	867.89	+0.3	—	3.99	—	0.00	865.49	865.19	894.53	672.14	906.18	11/3/86	580.93	4/1/85	906.18	11/3/86	44.88	2/1/75
66	Insurance (Composite) (7)	501.86	+1.1	—	4.05	—	2.47	496.19	489.77	486.27	347.37	501.86	21/3/86	383.16	25/2/85	501.86	21/3/86	43.96	13/12/74
67	Insurance (Brokers) (8)	1236.14	—	7.30	3.79	18.26	0.95	1236.45	1252.03	1252.88	1207.25	1315.27	12/2/86	1009.24	25/7/85	1315.27	12/2/86	65.86	16/12/74
68	Merchant Banks (11)	361.52	−0.1	—	2.92	—	0.06	361.85	358.61	351.93	232.37	361.85	20/3/86	220.65	3/1/85	361.85	20/3/86	31.21	7/1/75
69	Property (51)	743.59	+0.7	5.34	3.34	25.03	1.10	738.50	738.18	733.16	643.86	743.59	21/3/86	585.78	10/7/85	743.59	21/3/86	56.01	20/4/65
70	Other Financial (25)	352.82	—	6.95	3.84	17.24	1.33	351.84	346.53	337.08	293.68	352.02	21/3/86	261.32	26/7/85	352.02	21/3/86	33.29	17/12/74
71	Investment Trusts (103)	751.73	−0.4	—	2.92	—	3.61	754.71	751.04	731.54	617.07	754.71	20/3/86	557.78	31/7/85	754.71	20/3/86	71.12	13/12/74
81	Mining Finance (3)	331.16	+4.0	10.03	4.69	11.61	0.00	318.42	293.80	293.05	300.84	331.16	21/3/86	240.20	5/8/85	337.57	10/4/84	66.31	30/9/74
91	Overseas Traders (14)	670.01	+0.5	12.94	6.25	9.18	7.85	666.76	668.22	669.29	663.13	687.15	22/1/85	562.27	15/10/85	687.15	22/1/85	97.37	6/1/75
99	ALL-SHARE INDEX (738)	820.18	+0.1	—	3.72	—	4.22	819.66	807.79	799.32	626.42	820.18	21/3/86	581.88	3/1/85	820.18	21/3/86	61.92	13/12/74

	Index No.	Day's Change	Day's High	Day's Low	Mar 20	Mar 19	Mar 18	Mar 17	Mar 14	Year ago	1985/86 High		1985/86 Low		Since Compilation High		Since Compilation Low	
FT-SE 100 SHARE INDEX ‡	1688.3	−1.8	1690.1	1683.1	1690.1	1659.8	1644.4	1622.6	1624.4	1302.9	1690.1	20/3/86	1206.1	3/1/85	1690.1	20/3/86	986.9	23/7/84

FIXED INTEREST

	PRICE INDICES	Fri Mar 21	Day's change %	Thurs Mar 20	xd adj. today	xd adj. 1986 to date
	British Government					
1	5 years	122.44	+0.19	122.21	—	2.44
2	5-15 years	144.19	+0.31	144.08	0.34	2.69
3	Over 15 years	153.13	+0.30	152.67	—	3.61
4	Irredeemables	172.82	+0.45	172.04	—	1.62
5	All stocks	139.57	+0.27	139.36	0.17	2.76
	Index-Linked					
6	5 years	109.51	+1.35	108.05	—	0.81
7	Over 5 years	108.65	+1.34	107.21	—	0.91
8	All stocks	108.81	+1.34	107.36	—	0.90
9	Debentures & Loans	122.64	+0.68	121.82	—	2.07
10	Preference	84.73	+0.33	84.44	—	2.00

	AVERAGE GROSS REDEMPTION YIELDS	Fri Mar 21	Thurs Mar 20	Year ago (approx.)	1985/86 Highs		1985/86 Lows	
	British Government							
1	Low Coupons 5 years	8.45	8.53	10.86	11.56	28/1/85	8.45	21/3/86
2	15 years	8.71	8.73	10.71	11.20	28/1/85	8.71	21/3/86
3	25 years	8.73	8.74	10.26	10.72	29/1/85	8.73	21/3/86
4	Medium Coupons 5 years	9.52	9.55	11.77	12.39	28/1/85	9.52	21/3/86
5	15 years	9.13	9.15	11.06	11.63	28/1/85	9.13	21/3/86
6	25 years	9.04	9.07	10.48	10.97	29/1/85	9.04	21/3/86
7	High Coupons 5 years	9.50	9.55	11.82	12.53	28/1/85	9.50	21/3/86
8	15 years	9.29	9.33	11.82	11.76	28/1/85	9.29	21/3/86
9	25 years	9.14	9.17	10.59	11.03	29/1/85	9.14	21/3/86
10	Irredeemables †	8.72	8.75	10.11	10.49	28/1/85	8.72	21/3/86
	Index-Linked							
11	Inflat'n rate 5% 5 yrs	4.29	4.83	0.0	5.18	14/1/86	4.23	27/2/86
12	Inflat'n rate 5% Over 5 yrs	3.82	3.91	0.0	4.01	20/1/86	3.70	27/2/86
13	Inflat'n rate 10% 5 yrs	3.17	3.84	0.0	4.23	14/1/86	3.17	27/2/86
14	Inflat'n rate 10% Over 5 yrs	3.65	3.76	0.0	3.85	14/1/86	3.54	27/2/86
15	Debs & Loans 5 years	10.20	10.32	12.05	12.78	27/1/86	10.20	21/3/86
16	15 years	10.10	10.20	11.74	12.37	29/1/85	10.10	21/3/86
17	25 years	10.00	10.09	11.62	12.37	29/1/85	10.00	21/3/86
18	Preference †	11.48	11.52	12.70	13.14	29/1/85	11.48	21/3/86

‡ Opening index 1689.8; 10 am 1685.2; 11 am 1684.9; Noon 1688.9; 1 pm 1689.4; 2 pm 1689.2; 3 pm 1687.3; 3.30 pm 1687.0; 4 pm 1687.3.

Equity section or group	Base date	Base value	Equity section or group	Base date	Base value
Telephone Networks	30/11/84	517.92	Food Manufacturing	29/12/67	114.13
Electronics	30/12/83	1646.65	Food Retailing	29/12/67	114.13
Other Industrial Materials	31/12/80	287.41	Insurance Brokers	29/12/67	96.67
Health/Household Products	30/12/77	261.77	Mining Finance	29/12/67	100.00
Other Groups	31/12/74	63.75	All Other	10/04/62	100.00
Overseas Traders	31/12/74	100.00	British Government	31/12/75	100.00
Mechanical Engineering	31/12/71	153.84	Do. Index-linked	30/04/82	100.00
Office Equipment	16/01/70	162.74	Debs. & Loans	31/12/77	100.00
Industrial Group	31/12/70	128.20	Preference	31/12/77	76.72
Other Financial	31/12/70	128.06	FT-SE 100 Index	30/12/83	1000.00

† Flat yield. A new list of constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4, price 15p, by post 28p.

CONSTITUENT CHANGES: Automotive Products (a) has been deleted and replaced by Meggitt Holdings(6). NAME CHANGE: Vantona Viyella has changed its name to Coats Viyella (35).

BHP on target for record net profits

BY LACHLAN DRUMMOND IN SYDNEY

BHP, the energy and industrial group which is Australia's largest company, is on target for record profits this year following a 52 per cent gain in net earnings to A$513m (US$579.6m) for the first nine months.

The result includes a 34 per cent improvement to A$238.6m for the third quarter. BHP said yesterday that currency influences had been favourable, and that most group products had met with strong demand. Third quarter turnover rose 38 per cent to A$2.09bn.

BHP has already forecast an increase to net profits before minorities of A$1.025bn for this year—ending May, 1986. Thereafter the group expects lower results following the fall in oil prices.

The company had no comment to make yesterday on its takeover wrangle with Mr Robert Holmes à Court, the Perth businessman. Mr Holmes à Court's Bell Resources group is making a partial bid for BHP. As a defensive measure, BHP has lately acquired about 19 per cent of Bell Resources.

But the company did have plenty to say about its pattern of trading in the latest quarter, up to the end of February.

In the quarter the petroleum group was the main force, with profits up from A$117.3m to A$140.3m, reflecting higher domestic oil prices and increased exports of oil. For the nine months petroleum contributed A$402m against A$341m.

Steel was well up, rising from A$31.9m to A$48.8m for the quarter and from A$121.7m to A$191.1m for the nine months, with the quarterly growth largely coming from higher domestic sales.

The Utah international group rose from A$35.7m to A$47.3m in the quarter and from A$97.7m to A$148.4m for the nine months, reflecting higher shipments and better margins.

The minerals group also increased shipments and saw third quarter profits rise by A$23.4m to A$33.5m.

EUROPEAN OPTIONS EXCHANGE

Series		May Vol.	May Last	Aug. Vol.	Aug. Last	Nov. Vol.	Nov. Last	Stock
GOLD C	$360	93	11.90	135	27.8	1	28.50	$353.60
GOLD C	$380	59	4	55	12	..	-	..
GOLD C	$400	3	2.20 B	40	6	-		..
GOLD P	$290	131	6.40		--	..	..	..
GOLD P	$330			245	5 B	..		..
GOLD P	$340	25	5	130	7.50			..
GOLD P	$350	..	—	100	15 A	-	-	..
		Mar.		June		Sept.		
£/FL C	Fl.370	100	10.50	32	13	10	13.50	Fl.381.55
£/FL C	Fl.380	195	1.25	2	7.50	5	9	..
£/FL C	Fl.385	17	0.01 A	37	5.90		.	..
£/FL C	Fl.390		.	35	4.50 A	5	6	..
£/FL C	Fl.400	.	..	90	2.40	30	3.10	..
£/FL C	Fl.425			120	1.60	2	2.50	..
£/FL P	Fl.380	176	0.52				.	..
£/FL P	Fl.390		..	50	19.50		.	..
$/FL C	Fl.250	53	4	.				Fl.253.10
$/FL C	Fl.255	505	0.40	.				..
$/FL C	Fl.260	50	0.03	22	4.30	5	6.80	..
$/FL C	Fl.265	.	.	37	2.80	5	4.70	..
$/FL P	Fl.245	378	0.25	50	3.10	.	.	..
$/FL P	Fl.250	204	0.05 A	12	5.20	.		..
$/FL P	Fl.255	212	1	95	8	51	11.80	..
$/FL P	Fl.260	107	5.70 B	21	11.30	1	14.50	..
$/FL P	Fl.265	231	10.70 B	—	.	30	16.80	..
$/FL P	Fl.270	180	15.80 B	-		.		..
$/FL P	Fl.275	48	20.80 B	30	22.50	1	25.80	..
$/FL P	Fl.280	115	26	2	27		..	..
$/FL P	Fl.290	114	35.90		..	.	..	..
$/FL P	Fl.295	171	41	..	..	120	42.50	..
$/FL P	Fl.310	117	55			.		..
$/FL P	Fl.320	120	66.20 A	..	.		–	..
		Apr.		July		Oct.		
ABN C	Fl.540	110	46 B	11	51	9	59	Fl.586
ABN P	Fl.560	65	7.50	3	14.50			..
AEGN C	Fl.110	37	3.20	24	6.60	8	8.40	Fl.108.50
AH C	Fl.85	90	1.80	221	3.80 B	10	6	Fl.81
AH P	Fl.80	148	2.40	52	4.70			..
AKZO C	Fl.160	395	11.40	28	13.30	3	17.80	Fl.169.80
AKZO P	Fl.270	62	5.50	50	9.40 B	10	10.90 A	
AMEV P	Fl.75	20	1.25	45	4	10	68	Fl.77.10
AMRO C	Fl.110	215	1.40	6	5.40	13	7.50	Fl.106.20
AMRO P	Fl.105	161	3	12	5.50	10	7.50	..
GIST C	Fl.300	120	1.50	1	5.50			Fl.268.50
GIST P	Fl.280	13	14	9	21	101	5	
HEIN C	Fl.250	191	15	103	18	11	23	Fl.241.50
HEIN P	Fl.220	124	0.60	19	3.50			
HOOG C	Fl.100	749	1.70	245	4.20	59	6.50	Fl.95.10
HOOG P	Fl.90	64	1	157	3.60	39	5.50 B	
KLM C	Fl.60	470	0.50	310	2.50	170	3.60	Fl.51.50
KLM P	Fl.50	459	1.30	203	3	2	4.20	
NEDL C	Fl.200	234	3.90	36	6.80 B			Fl.177.20
NEDL P	Fl.160	153	7.50	--		.		..
PHIL C	Fl.65	1296	1.60	584	4	237	6.10	Fl.64.50
PHIL P	Fl.60	98	0.20	463	2.20	44	3.20	..
RD C	Fl.170	247	16.50	350	18 A	724	19.10	Fl.186
RD P	Fl.180	479	2.10	441	8.52 B	125	11.50	..
ROBE C	Fl.95			107	2.20	18	3	Fl.92.20
UNIL C	Fl.420	53	7.60	106	19.50	7	26.50	Fl.415.50
UNIL P	Fl.400	95	5 A	64	14	3	20	..

TOTAL VOLUME IN CONTRACTS. 36,092

A=Ask B=Bid C=Call P=Put

London options unavailable for this edition

Jardine Matheson reduces deficit

BY DAVID DODWELL IN HONG KONG

JARDINE MATHESON, Hong Kong's oldest colonial trading company yesterday reported losses amounting to HK$793m lies and extraordinary items, of HK$269m (US$34.5m) — a significant improvement after loses amounting to HK$793m last year.

Signalling the group's recouperation after three of the most precarious years in its 140-year history, Mr Simon Keswick, chairman, confirmed the successful withdrawal from shipowning — albeit at a cost of about HK$1.2bn — and a significant reduction in debt.

Contradicting hints given earlier this year, Mr Keswick insisted there were no plans to dispose of, or to dilute, Jardine's 35 per cent holding in Hongkong Land — a move that would unleash substantial funds for fresh investment, and reduce the group's heavy dependence on operations in Hong Kong.

Jardine's $6bn investment in Hongkong Land has cost the company dear over the past three years, but signs of a strong recovery now underway have evidently persuaded Jardine to retain their holding for now. Just three weeks ago, Hongkong Land revealed significantly improved profits for 1985, and a resumption of dividend payments for the first time in three and a half years.

Jardine's group turnover amounted to HK$10.5bn, up 18 per cent from 1984. Operating profits of HK$390m and earnings from associates of HK$532m were eroded by a HK$144m exceptional cost in writing off oil and gas exploration activities and interest amounting to HK$213m to service debt. This left an after tax profit of HK$157m—up from HK$80m in 1984.

An extraordinary loss of HK$426m — which compared with extraordinaries of HK$73m in 1984—was largely due to provisions against shipping operations amounting to HK$524m, and left the group with an attributable loss of HK$269m. No extraordinary provisions are expected this year.

Jardine's term debt was cut from HK$4.2bn at the end of 1984 to HK$2.7bn at the end of last year, bolstering the group's ratio of debt to equity from 100 per cent to 57 per cent.

Mr Keswick said strongest growth in 1985 had come from financial services, which have recently been further strengthened by the US$61.9m acquisition of Emett and Chandler, the US insurance group. Marketing and distribution and operations of Hongkong Land also grew strongly.

Expansion in the coming year would be in these areas and geographically in Japan, the US and Britain.

Goedde quits top post at Krupp Stahl

By Peter Bruce in Bonn

MR ALFONS GOEDDE, chief executive at Krupp Stahl of West Germany, has resigned. Krupp officials said yesterday that Mr Goedde had asked the group's supervisory board to release him from his contract for "personal reasons."

Mr Goedde's surprise resignation comes after Krupp, along with most other West German steel producers, had begun to report a sharp recovery in its fortunes. The company said that talks of differences between Mr Goedde and Mr Wilhelm Scheider, the chairman of the Krupp holding company, was baseless.

No immediate replacement was named. Mr Goedde, 37, had headed Krupp Stahl since 1980, during which time Krupp has dramatically cut steel making and rolling capacity in an effort to counter overcapacity in western Europe.

Thyssen sees continuing progress

By Our Financial Staff

THYSSEN, the West German steel and industrial group which staged a big profits recovery last year, looks forward to further progress in the current 12 months.

Despite a decline in steel turnover, group sales are likely to rise by about 4 per cent in the first half of the year ending September 1986 and all divisions should make a profit. The expectation is for a good full year result, the company said.

The group gave no detailed breakdown of sales, but said both the trading division and the capital goods subsidiary, Thyssen Industrie, had seen strong rises in some areas. Sales at the US processing unit, The Budd Co, remained at a high level.

Israeli bank sells majority stake

BY ANDREW WHITLEY IN TEL AVIV

A MAJORITY shareholding in the First International Bank of Israel (FIBI), generally considered the most innovative of Israel's "big five" commercial banks, has been sold for US$21m to a group of private investors led by Mr Jack Nasser, a New York businessman.

FIBI was formerly controlled by the Danot Investment Company, an Israeli holding company which went into voluntary liquidation last year, leaving debts estimated at $43m.

Sale of the Danot holding was conducted through a public auction on Thursday night supervised by the Bank of Israel, in which a floor price of $28m was set.

To acquire control of FIBI, which had capital of $139m and assets totalling $808m at the end of 1985, Mr Nasser beat off rival bids from three other interested groups: one Australian and two Canadian, including Mr Charles Bronfman, the multimillionaire co-owner of the Seagram distilling group.

Mr Nasser, who had previously expressed interest in purchasing ATA, the biggest Israeli textile company which collapsed last year, said he had decided to buy FIBI because of his "trust in the bank's current management and staff." Mr Zadik Bino, its managing director, is highly regarded in Israeli financial circles.

FIBI's new owner added that he believed in the future of Israel and the profitability of investing in what he considered to be a sound economy.

Since its establishment in the early 1970s, control of FIBI has changed hands several times. Before being sold to Danot in 1981, it was owned by the Eisenberg family group. The Bank of Israel said yesterday that Mr Shaul Eisenberg's Israel Corporation had up to a few days ago been interested in reacquiring control.

Earlier this month FIBI reported net profits of $18.3m for its 1985 financial year, up by 10.7 per cent on the previous year.

Sunshine Mining warns of further rise in losses

BY MARY FRINGS IN DALLAS

SUNSHINE MINING, the fully-integrated US silver producer with recently-acquired oil and gas interests, has warned shareholders that losses for 1985 may reach $58m, about 60 per cent higher than the company forecast in November.

Mr G. Michael Boswell, chairman, said: "I did not foresee the worsening environment in our principal businesses, which made my expectations for the fourth quarter wrong." He had earlier forecast the company would break even in the final three months of 1985.

Even though operations in the fourth quarter yielded a positive cash flow of $5.5m and results reflected only a modest loss, the continued rapid deterioration of silver and crude oil prices dictated non-cash write-downs in asset values and establishment of loss reserves, he said.

These would contribute to a loss for the period of about $24m before provision for preferred dividends.

Mr Boswell noted that silver prices now stood at about $5.57 an ounce, against averages of $6.444 for 1985 and $8.14 and $11.44 for the two previous years. Meanwhile crude oil prices had declined more than 50 per cent in the past two months and severe downward pressure on natural gas prices could scarcely be avoided.

● The Malaysian tin-producing Ayer Hitam Tin Dredging reports a net profit for the first half of the year to June 30 of M$2.09m ($824,000), or 34 cents per share, compared with M$2.34m. The total for the full 12 months to last June was M$5.74m, writes Kenneth Marston.

Poseidon plans A$14.4m rights issue

By Kenneth Marston, Mining Editor

POSEIDON, the fallen star of the Australian nickel exploration boom which rose from the ashes to become a dividend-paying gold investment company, yesterday announced a A$14.4m (US$10m or £6.85m) rights issue and a fall in half-year profits to A$532,000 from A$3.1m a year ago.

The terms of the rights issue are one-for-four at a price of A$2 (about 95p compared with a current London price of around 140p) per share to holders registered on April 14, the new shares ranking for dividends after end-1986.

Poseidon said that the new funds would be used for the development of the 67 per cent-owned Mt Carbide tungsten mine and for mineral and oil exploration. The aim is to reduce the dependence for earnings on the 47 per cent interest in Kalgoorlie Lake View.

Imperial Oil to cut 1,800 jobs

BY BERNARD SIMON IN TORONTO

IMPERIAL OIL, Canada's biggest oil company, plans to cut its workforce by about 12 per cent or 1,800 jobs in response to lower oil prices and an oversupply of petrochemicals and other refined products.

Imperial is the latest of several Canadian oil and gas producers to implement staff cuts and other cost-cutting measures. The company, 70 per cent owned by Exxon of the US, said it would cut the jobs by June. It will offer early retirement incentives to older employees and encourage others to leave voluntarily, and lay off the remainder.

Imperial said it was re-examining its capital spending programme, which reached a record C$1.2bn (US$860m) in 1985. Among the projects under scrutiny is the next phase of its Cold Lake heavy oil project in north-east Alberta.

The bulk of the redundant jobs are in the refining and chemicals divisions. Imperial's petroleum products earnings dropped to C$93m last year from C$146m in 1984. Income from chemicals fell from C$22m to C$3m, partly because of weak prices and fewer export opportunities.

Western Canadian oil and gas producers and other interests have begun to formulate proposals for government assistance to cushion them against the drop in prices. The Federal Government is likely to be asked to speed up the abolition of the 12 per cent petroleum and gas revenue tax, presently due to be phased out by 1989.

There have also been calls for a floor price to be set for domestic production to protect western producers. Ottawa angered the oil and gas industry during the 1970s by artificially holding down domestic prices.

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Over-the-Counter Market

High	Low	Company	Price	Change	Gross div.(p)	Yield %	P/E Actual	P/E Fully taxed
146	118	Ass. Brit. Ind. Ord.	134	—	7.3	5.4	8.2	7.7
151	121	Ass. Brit. Ind. CULS	139	—	10.0	7.2	—	—
75	43	Airsprung Group	71	—	6.4	9.0	11.8	15.4
46	33	Armitage and Rhodes	35	—	4.3	12.3	4.3	5.2
177	108	Bardon Hill	177	—	4.0	2.3	22.4	23.3
84	42	Bray Technologies	56	—	3.9	7.0	6.8	7.9
201	136	CCL Ordinary	138	—	12.0	8.7	3.4	3.2
152	97	CCL 11pc Conv. Pref.	99	—	15.7	15.9	—	—
152	80	*Carborundum Ord.*	150	+ 2	4.9	3.3	7.4	11.6
94	83	Carborundum 7.5pc Pf.	91	—	10.7	11.8	—	—
65	46	Deborah Services	56	—	7.0	12.5	5.8	7.7
32	20	Frederick Parker Group	23	—	—	—	—	—
107	50	George Blair	107	+ 1	—	—	4.4	7.9
68	20	Ind. Precision Castings	62	—	3.0	4.8	16.4	13.7
218	161	Isis Group	165	—	15.0	9.1	12.7	19.0
122	101	Jackson Group	121	—	5.5	4.5	8.1	8.1
345	228	James Burrough	345	—	15.0	4.3	10.9	10.9
98	85	James Burrough 9pcPf.	98xd	—	12.9	13.2	—	—
95	62	John Howard and Co.	62	—	5.0	8.1	4.9	7.8
1200	570	*Minihouse Holding NV*	1160	—	8.9	0.8	50.7	48.1
82	32	Robert Jenkins	69	—	—	—	9.0	19.7
34	28	Scruttons "A"	30	—	—	—	—	7.7
87	66	*Torday and Carlisle*	69	—	5.0	7.2	3.5	6.3
370	320	Trevian Holdings	330	—	7.9	2.4	6.9	9.1
53	25	Unilock Holdings	52	—	2.1	4.0	14.1	13.8
156	91	Walter Alexander	150xd	+ 3	8.6	5.7	8.5	10.3
226	195	W. S. Yeates	200	—	17.4	8.7	5.7	8.8

BASE LENDING RATES

ABN Bank	11½%	Grindlays Bank	‡11½%
Allied Dunbar & Co.	11½%	■ Guinness Mahon	11½%
Allied Irish Bank	11½%	■ Hambros Bank	11½%
American Express Bk.	11½%	Heritable & Gen. Trust	11½%
Amro Bank	11½%	■ Hill Samuel	§11½%
Henry Ansbacher	11½%	C. Hoare & Co.	11½%
Associates Cap. Corp.	11½%	Hongkong & Shanghai	11½%
Banco de Bilbao	11½%	Johnson Matthey Bkrs.	11½%
Bank Hapoalim	12½%	Knowsley & Co. Ltd.	12 %
Bank Leumi (UK)	11½%	Lloyds Bank	11½%
Bank Credit & Comm.	12½%	Edward Manson & Co.	12½%
Bank of Ireland	11½%	Meghraj & Sons Ltd.	11½%
Bank of Cyprus	11½%	Midland Bank	11½%
Bank of India	11½%	■ Morgan Grenfell	11½%
Bank of Scotland	11½%	Mount Credit Corp Ltd.	11½%
Banque Belge Ltd.	11½%	National Bk. of Kuwait	11½%
Barclays Bank	11½%	National Girobank	11½%
Beneficial Trust Ltd.	13½%	National Westminster	11½%
Brit. Bank of Mid. East	11½%	Northern Bank Ltd.	11½%
■ Brown Shipley	11½%	Norwich Gen. Trust	11½%
CL Bank Nederland	11½%	Peoples Trust	12½%
Canada Permanent	11½%	PK Finans. Intl. (UK)	13 %
Cayzer Ltd.	11½%	Provincial Trust Ltd.	13½%
Cedar Holdings	13 %	R. Raphael & Sons	11½%
■ Charterhouse Japhet	11½%	Roxburghe Guarantee	13 %
Citibank NA	11½%	Royal Bank of Scotland	11½%
Citibank Savings	‡12½%	Royal Trust Co. Canada	11½%
City Merchants Bank	12½%	Standard Chartered	11½%
Clydesdale Bank	11½%	TCB	11½%
C. E. Coates & Co. Ltd.	13 %	Trustee Savings Bank	11½%
Comm. Bk. N. East	11½%	United Bank of Kuwait	11½%
Consolidated Credits	12½%	United Mizrahi Bank	11½%
Continental Trust Ltd.	11½%	Westpac Banking Corp.	12½%
Co-operative Bank	*11½%	Whiteaway Laidlaw	12 %
The Cyprus Popular Bk	11½%	Yorkshire Bank	11½%
Duncan Lawrie	11½%		
E. T. Trust	13 %		
Exeter Trust Ltd.	12 %		
Financial & Gen. Sec.	11½%		
First Nat. Fin. Corp.	13½%		
First Nat. Sec. Ltd.	13½%		
■ Robert Fleming & Co.	11½%		
Robert Fraser & Ptrs.	12½%		

■ Members of the Accepting Houses Committee.
* 7-day deposits 7.69%, 1-month 8.03%. Top Tier—£2,500+ at 3 months notice 10.72%. At call when £10,000+ remains deposited.
‡ Call deposits £1,000 and over 8% gross.
¶ Mortgage base rate.
§ Demand dep. 7.60%. Mortgage 13%.

WALL STREET

Higher but operators nervous

STOCKS EDGED higher in nervous trading on Wall Street yesterday, ahead of the quarterly "triple expiration" day for stock index futures and options and single stock options.

By 1 pm the Dow Jones Industrial Average rose another 5.27 to a new record of 1,809.51, making a rise of 16.77 on the week, while the NYSE All Common index, at $136.45, was up 32 cents on the day and a net 28 cents on the week. Advances led declines by a small margin in a volume of 111.3m (111.63m) shares.

"It's quiet and there's a lot of people who have already done what they have to do as far as their quarterly commitments are concerned," said Ralph Blair of Montgomery Securities. "But there's expiration stuff left for the end of the day, so volume will probably pick up later," he added.

Morgan Stanley's impressive first day of trading buoyed Brokerage stocks. It was up $10⅞ from the $56.50 offer price on volume of 1.4m shares.

Some other Brokers advanced in sympathy with Morgan Stanley. First Boston climbed $1⅜ to $61, and Phibro Salomon $1⅞ to $57¼.

ATT led the actives, down $⅛ at $22¾ on 5.3m shares.

Smithkline Beckman declined $1¼ to $88¼—it called for a nationwide halt on sale of its over-the-counter medications Teldrin and Dietac after receiving and finding evidence of tampering with the capsules in two States.

Johnson and Johnson, a victim of earlier tampering incidents, rose $1⅞ to $55⅜.

THE AMERICAN SE Market Value index gained 0.86 to 268.18, for a net rise of 0.37 on the week.

Wickes Cos led actives, up $⅛ to $6⅜—it said Thursday it would divest much of its retail operations.

Key Pharmaceutical, also active, climbed $⅜ to $16⅜.

Closing prices for North America were not available for this edition.

CANADA

Stocks climbed higher in active mid session trading after Thursday's first ever close above the 3,000 level.

The rally showed no signs of flagging with the Toronto Composite index surging ahead 17.02 to 3,046.84. The Gold index put on 19.5 to 4,280.0 but Oil and Gas shed 1.3 to 2,784.5.

Hiram Walker Resources advanced $1¼ to $32¼—it is subject of a bid by Gulf Canada, up $⅜ at $17, to acquire a 38 per cent voting interest in the company.

GERMANY

Share prices slumped across a broad front in active dealings.

The Commerzbank index fell 46.9 to 2,055.3.

Speculation that Siemens AG may lower its dividend from DM 12 to DM 8 a share for the fiscal year ending September 30 1986, sent its stock down DM 29 to 683. Although the shares were ex-dividend Friday, brokers said the steep decline was more than would be expected from a technical reaction to the dividend payment date.

Pessimism about Siemens, one of West Germany's biggest industrial groups, is facing a slump in nuclear reactor sales, spread to other sectors of the market. Individual stocks generally dropped more than DM 6 each, with some stocks falling substantially more.

Markets were also depressed by the next options settlement date at the end of the month. Reluctance to take large positions ahead of the Easter holidays next week kept many investors out of markets.

Banks were especially heavily hit, with Deutsche Bank down DM 19 to 816, Dresdner were off DM 8 at 431 and Commerzbank DM 14 at 314.

In the Auto sector, Daimler-Benz tumbled DM 9 to 1,314, while BMW dipped DM 5.20 to 515 and Volkswagen ended DM 5 lower at 580.5.

Steels followed the Auto sector lower.

In the Utility sector, Veba dropped DM 5.20 to 302, while Rhein-West Elekt tumbled DM 8 to 235.

Chemicals, Machinery and Store issues suffered the smallest losses on the day.

SWITZERLAND

Steady on selective demand underpinned by the overnight gain on Wall Street.

Banks continued slightly higher.

Among leading Industrials Alusuisse Group ended hardly changed on Thursday's higher levels after reporting a "large" loss and extraordinary write-offs and provisions for 1985. It said a bank consortium had agreed to underwrite the new shares of a planned capital increase.

Sandoz firmed Frs 100 to 1130 on higher annual results and proposed dividend increase.

In the Foreign sector, Dollar stocks traded mostly above overnight New York close.

Swiss Bonds were little changed.

HONG KONG

Steady on light buying interest.

Brokers said selling pressure has largely subsided and that there were no major negative factors. However, sentiment remained bearish and the market's technically weak tone was basically unchanged, they added.

The Hang Seng index rose 6.03 to 1,611.73. Turnover $HK340.01m ($HK277.69m).

Jardine Matheson put on 10 cents to $HK11.60 after reporting net loss of $HK269m against last year's $HK793m, in line with market expectations.

Properties led the advance with the Property sub-index rising nearly 29 points to 1,917.26.

Banks remained depressed.

AUSTRALIA

Share markets rose to further record levels, boosted by the gains on overseas markets.

The All Ordinaries index gained 8.6 to an all-time high of 1,136.7, while the All Industrials index advanced 11.7 to a record 1800.0. The All Resources index put on 6.4 to 632.7, Metals and Minerals 8.0 to 572.3, the Gold index 17.1 to 977.4, Solid Fuels 5.0 to 446.4. Oil and Gas index shed 2.0 to 481.4.

Turnover 80.3m shares, worth $A140.8m, with rises outnumbering falls 342-to-204.

About 2.2m BHP shares were traded with the share price up 4 cents at $A6.40. The Bell Group added 8 cents at $A7.20.

Minings were firmer, with strong overseas interest.

Major Oils traded quietly with an easier tendency. Beach Petroleum firmed 5 cents to 60 cents after reporting its first profit in 25 years.

SINGAPORE

Expectations of stronger Malaysian stock-buying before the country's national elections forced share prices generally higher in modest dealings.

The Straits Times Industrial index rose 6.82 to 582.35 and the SE All Share index 2.12 to 213.13. Turnover 8.9m (12.2m) shares.

Rises were particularly noticeable among smaller, less expensive and more speculative Malaysian stocks.

Although no date for the Malaysian Parliamentary elections has yet been announced, observers widely believe they are tentatively targeted for May 3. The market usually trends higher before elections in Malaysia and, anticipating that the pattern will repeat itself, smaller investors appear to be nibbling at situational stocks.

One dealer noted particular interest in shares trading below 50 cents each.

AMSTERDAM

Narrowly mixed in limited trading ahead of the weekend. The weaker US dollar was a particularly depressing factor on the market yesterday.

There was little interest from local investors who made up their balance sheets after last Wednesday's local Council Polls in which the ruling Centre-Right Coalition saw heavy losses. The polls are seen as a barometer for May General elections.

CANADA

Stock	Mar. 20	Mar. 19
AMCA Intl.	18⅝	18½
Abitibi	55¼	25⅛
Agnico Eagl.	34	33¾
Alberta Energy	18	11¾
Alcan Aluminium	47⅞	47⅛
Algoma Steel	17¾	17⅝
Bank Montreal	35⅞	31
Bank Nova Scotia	13¾	13¾
BCE	40⅛	40⅛
Bombadier A	17⅛	17¼
Bow Valley	11¼	11¼
BP Canada Res.	28¾	29
Brascan A	23½	23⅛
Brinco	0.30	0.31
B. C. Forest	14⅝	14¼
Gillnc	33¾	33⅛
Cadillac Fairview	17¼	15⅛

Stock	Mar. 20	Mar. 19
Campbell Red L.	25¾	25⅝
Can. Cement Pt.	16¼	16⅛
Can. NW Energy	15¾	15½
Can. Packers	37	37
Can Trustco	48¾	49¼
Can. Imp. Bank	15½	18⅛
Can. Pacific	19⅝	16¾
Can. Tire C.	14⅝	14¼
Canlor	13½	12⅞
Carling O'Kfe	13⅞	14
Chieftain	8¼	2½
Cominco	13¼	12⅛
Conigas Mines	4.40	4.40
Cons. Bathst. A	25	35
Coremark Int.	5⅝	8⅛
Costain	12½	12¼
Denison Mines A	15¼	10⅛
Dofasco Inc	21⅛	31
Dome Mines	12¼	12

Stock	Mar. 20	Mar. 12
Dome Petroleum	5.03	1.98
Domtar	30¾	30⅞
Falconbridge	55	23¾
Fed. Inds. A.	15½	13½
Gendis A	39⅛	38¼
Genstar	47⅝	43⅞
Giant Y'knife	38¼	28
Gt. West Life	5.00	5.00
Gulf Canada	16⅝	15⅜
Hawker Sid. Can.	27⅝	57¼
Hudson's Bay	27	27
Husky Oil	8⅝	8⅛
Imasco	31⅛	30¾
Imperial Oil A	46¾	46¾
Inco	26	21⅞
Indal	24⅛	94⅛
Interprov. Pipe	41	41⅛
Labatt (John)	39¼	39⅞
Lac Minerals	22⅛	22
Loblaw	35¾	27

Stock	Mar. 20	Mar. 18
Macmil Bloedel.	28½	98¼
Magna Intl.	21⅛	21
Marks & Spencer	14¾	14⅛
Massey Ferguson	2.75	2.76
McIntyre Mines	43	43
Mitel Corpn.	7⅝	7⅝
Molson A	24⅝	54⅜
Moore Corp.	35¾	35⅜
Nat. Bank Can.	28⅛	95⅞
Nat. Sea Prods. A	17¼	17¼
Noranda Inc.	19	18⅞
Norcen Energy	13⅜	13⅜
Nth. Telecom	41½	41⅜
Nova Alberta	5	5⅞
Numac Oil & Gas	9	8¾
Oakwood Pet	5¾	5
Pan Can Pet.	24	23⅞
Placer Dev	23⅜	23¾
Power Corp	28¼	57⅜
QuebecSturgeon	4.50	4.40

Stock	Mar. 20	Mar. 19
Ranger Oil	3.13	4.95
Reed Stenh'se A.	54¼	53½
Rio Algom	97⅜	97
Royal Bank Can.	31⅛	31½
Royal Trust A.	20½	25¾
Sceptre Res	3.95	3.00
Seagram	76⅝	75⅝
Sears Can. A	15⅛	13¼
Shell Can. A	83	22⅜
SHL System'hse.	15⅜	18⅜
Stelco A	28	58
Teck B	28⅛	28⅛
Texaco Canada	87¼	25¾
Thomson News A.	58¼	28½
Toronto Dom. Bk	24¼	24¼
Transalta A.	97¼	87
Trans. Can. Pipe.	18⅜	18¼
Walker Hiram	51	31
W. Coast Trans.	14⅜	14½
Weston (Geo)	133	130

NOTES—Prices on this page are as quoted on the individual exchanges and are last traded prices. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all. * Price in Schillings.

هكذا من الأصل

CURRENCIES and MONEY

COMMODITIES AND AGRICULTURE

هكذا في الأصل

FOREIGN EXCHANGES

Sterling very firm

Sterling continued to improve in currency markets yesterday as high UK interest rates and a buoyant equity market boosted demand. Its exchange rate index finished at 75.9, up from 75.3 on Thursday and its highest closing level for two months. Against the dollar it rose to its best closing level since August 1983 at $1.5110-1.5120, a rise of 2.25c from Thursday.

It was also higher against the D-mark at DM 3.3875 from DM 3.36 and Y265.5 compared with Y262.5. Elsewhere it rose to SFr 2.8300 from SFr 2.8175 and FFr 10.4250 from FFr 10.3375. Continuation of the Opec talks in Geneva failed to dampen market enthusiasm.

In addition, Tuesday's UK budget was generally well received by industry, the latter also being helped by lower energy costs. Speculation of another cut in UK clearing bank base rates received a setback as the Bank of England signalled its displeasure at the recent sharp fall in rates. However, sterling retained its attraction since interest rate differentials with countries such as Japan and Germany remain very attractive.

The dollar lost ground in fairly quiet trading ahead of the weekend. Its undertone remained bearish but there appeared to be a reluctance to push it too low after a recent speculation that the Bank of Japan may act independently to try to curb the yen's rise. This left the dollar confined to a narrow range although the market appeared to be more or less convinced that the US Government would not resist a further decline in the dollar's value.

Continued uncertainty about the price of oil and Opec's attempts to come to some agreement on output quota weighed heavily on the dollar and with recent economic statistics showing little upturn in the pace of economic growth so the dollar remained depressed. Against the D-mark it fell to DM 2.2415 from DM 2.2560 and Y175.75 compared with Y176.30. It was also lower in terms of the Swiss franc at SFr 1.8715 from SFr 1.8930 and FFr 6.8975 from FFr 6.9425. On Bank of England figures, the dollar's exchange rate index fell from 116.9 to 116.7.

£ IN NEW YORK

Latest	Mar. 21	Prev. close
£ Spot	$1.5105-1.5115	$1.4970-1.4960
1 month	0.54-0.52pm	0.52-0.51pm
3 months	1.57-1.55pm	1.57-1.55pm
12 months	4.75-4.65pm	4.55-4.45pm

Forward premiums and discounts apply to the US dollar

STERLING INDEX

	Mar 20	Previous
8.30 am	75.9	76.0
9.00 am	75.8	75.9
10.00 am	75.7	75.7
10.00 am	75.7	75.7
11.00 am	75.7	75.4
Noon	75.7	75.5
1.00 pm	75.8	75.5
2.00 pm	75.8	75.4
3.00 pm	75.8	75.3
4.00 pm	75.9	75.3

CURRENCY RATES

POUND SPOT—FORWARD AGAINST POUND

DOLLAR SPOT—FORWARD AGAINST DOLLAR

CURRENCY MOVEMENTS

EURO-CURRENCY INTEREST RATES

OTHER CURRENCIES

* Selling rate.

EXCHANGE CROSS RATES

Yen per 1,000: French Fr per 10: Lira per 1,000: Belg Fr per 100.

MONEY MARKETS

Bank acts to slow the pace

The Bank of England indicated its preference for a slowdown in the recent fall in interest rates by lending money to discount houses in the afternoon instead of buying bills. The rate of 12 per cent was not penal which suggested that it was the pace of movement rather than the decline in rates itself which courted official displeasure.

Interbank rates showed little reaction with three-month money ending at 11½-11¾ per cent compared with 11 7/16-11 9/16 per cent and six month money lower at 10¾-10⅞ per cent from 10⅞-10⅞ per cent. Weekend interbank money opened at 12½-12¾ per cent and touched 13 per cent before slipping away to 10 per cent.

The Bank of England forecast a shortage of around £500m with factors affecting the market including maturing assistance and a take up of Treasury bills together draining £384m and a rise in the note circulation of £315m. In addition banks brought forward balances £45m below target. These were partly offset by Exchequer transactions which added £235m. The Bank gave help in the morning of £220m through outright purchases of £35m of eligible bank bills in band 1 at 11¾ per cent and in band 2 £1m of Treasury bills and £167m of eligible bank bills all at 11 11/16 per cent. In band 3 it bought £14m of eligible bank bills at 11½ per cent and in band 4 £2m of Treasury bills and £1m of eligible bank bills at 11 7/16 per cent.

The Bank of England declined to accept offers of bills in the afternoon but invited those discount houses that wished to borrow funds to do so. This resulted in loans of £330m at 12 per cent, repayable on April 1. The forecast had been revised, without taking into account the morning help, to a shortage of around £550m. Total help was £550m.

The average rate of discount at yesterday's weekly Treasury bill tender fell to 10.7831 per cent from 11.1596 per cent. All the £100m of bills offered were allotted and the minimum accepted bid was £97.30, met at that level as to about 34 per cent and above in full. Next week a further £100m will be on offer, replacing a similar amount of maturities.

UK clearing banks base lending rate 11½ per cent since March 19

FT LONDON INTERBANK FIXING

(11.00 a.m. March 21) Three months US dollars		Six months US dollars	
bid 7 5/8	offer 7 1/2	bid 7 5/8	offer 7 1/2

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

MONEY RATES

March 21	Ov'r-nig't	One Month	Two Months	Three Months	Six Months	Lombard Inv'tn
Frankfurt	4.75	4.55-4.75	4.45-4.60	4.46-4.60	4.46-4.60	5.5
Paris	8⅛	8¼-8⅜	8¼-8⅜	8¼-8⅜	8⅛-8¼	8¼
Zurich	7⅞-11⅛	4⅜-4½	—	4.4⅛	—	—
Amsterdam	5⅞-5⅝	0⅞-0⅝	—	6⅛-5⅞	—	—
Tokyo	5.40625	5.65625	—	5.40625	—	—
Milan	16⅞-17¼	16⅝-17	—	16-16⅝	—	—
Brussels	10.25	9¾-9⅛	—	9⅞-9⅝	—	—
Dublin	—	15¼-16⅛	14¾-15	14⅛-14⅝	11⅛-12	—

LONDON MONEY RATES

Mar. 21	Over night	7 days notice	Month	Three Months	Six Months	One Year
Interbank	10-13	12-10½	11 11/16-11 9/16	11⅝-11⅜	10½-10¾	10⅜-10⅝
Sterling CDs	—	—	11 9/16-11 7/16	11 7/16-11 5/16	10¼-10⅛	9 15/16-10 1/16
Local Authority Depos	12⅛	11¾-19	11¾	11⅛	10⅞	10¼
Local Author'y Bonds	—	—	12¼	11⅛	10⅞	10⅞
Discount Mkt Depos.	10-12¼	11½-11¾	11½	10⅞	—	—
Company Depos.	19¼-12½	19¼-12⅝	12	11⅛	—	—
Finance House Depos	—	—	11¾	11¼	10⅝	10⅜
Treasury Bills (Buy)	—	—	11⅝	10⅞	—	—
Bank Bills (Buy)	—	—	11⅝	10⅞	10	—
Fine Trade Bills (Buy)	—	—	12	11⅛	10⅝	—
Dollar CDs	—	—	7.55-7.40	7.25-7.30	7.20-7.30	7.5-7.35
SDR Linked Depos	—	—	7⅛-7⅜	7 1/16-7 3/16	7⅛-7⅝	7-7¼
ECU Depos	—	—	9⅛-9½	9 1/16-9 3/16	8¼-8⅝	8⅛-8⅜

Treasury Bills (sell): one-month 11¼ per cent; three-months 10¾ per cent. Bank Bills (sell): one-month 11¾ per cent; three-months 10 15/16 per cent. Treasury Bills: Average tender rate of discount 10.7831 per cent. ECGD Fixed Finance Scheme IV reference date February 5 to March 4 (inclusive): 12.654 per cent. Local authority and Finance Houses seven days' notice, others seven days' fixed. Finance Houses Base Rate 13 per cent from March 1 1986. Bank Deposit Rate for sums at seven days' notice 5½-6 per cent. Certificates of Tax Deposits (Series 6): Deposits £100,000 and over held under one month 11¾ per cent: one-three months 11½ per cent; three-six months 11 per cent; six-nine months 10½ per cent: nine-12 months 10½ per cent. Under £100,000 10½ per cent from March 21. Deposits held under Series 5 10½ per cent. Deposits withdrawn for cash 7 per cent.

REVIEW OF THE WEEK

Further defections add to LME gloom

BY RICHARD MOONEY

THE DEFECTION of two more trading companies in the aftermath of the tin crisis deepened the gloomy mood of the London Metal Exchange this week, and intensified pressure for the adoption of a clearing house system in place of the present "principals trading" system which many dealers feel is too risky.

On Thursday, J. H. Rayner (Mincing Lane), and S. & W. Berisford subsidiary, became the fifth trader to withdraw from the market out of the 28 who were trading when the International Tin Council announced it had run out of money for price support back in October. And yesterday Holco Trading, an E. D. and F. Man subsidiary, took the tally to six.

Both companies are retaining their LME memberships but both also say they will not resume trading activities in the ring without the introduction of a clearing system.

Activity on the market has been at a low ebb ever since the crisis broke. Turnover figures have held up quite well but Mr Mike Brown, the LME chief executive, explained yesterday that this only reflected inter-dealer trading which has been buoyed by book-squaring and jobbing activity. Fresh client business was well down, he said.

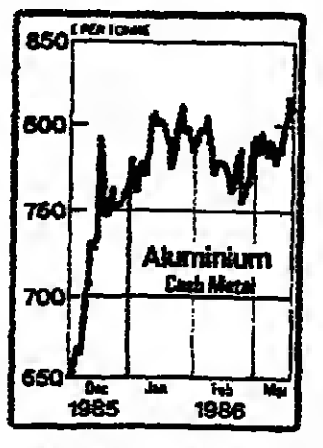
This has prompted a growing number of traders to support calls for the adoption of a clearing house system, which they see as one way of helping to regenerate the battered confidence of the market. Such calls have been around for some time but they have gained added momentum from the tin crisis, which is naturally being held up as an illustration of the shortcomings of the current system.

Of the remaining LME base metals contracts only aluminium managed a significant rise this week. Despite the strength of sterling against the dollar, which depressed prices for most metals, the cash aluminium quotation finished the week £21 up at £809.50 a tonne. The strength emanated from the US market where improved demand has been evident.

In contrast cash higher grade copper ended the week £18 lower at £972.50 a tonne, mainly reflecting sterling's rise.

Among the soft commodities cocoa continued its slide as renewed hopes for a price-supporting International Cocoa Agreement, with the Ivory Coast participating, faded into the background. The May position closed at a 29-month low of £1,428 a tonne yesterday, down £108.50 on the week.

With fundamental supply/demand indications remaining bearish and scepticism growing about the genuineness of the Ivory Coast's apparent change of heart about the cocoa pact there has been little to discourage sellers and this week's fall was given added impetus by the firmness of sterling and hedging sales against recent purchases of Ghanaian current crop cocoa.



Coffee prices also continued under pressure as the wave of selling which hit the market late last week was maintained. There were no fresh factors to influence prices but the market remained depressed following the recent failure to break through up-side resistance levels. As with other markets the currency factor made a substantial contribution as the May coffee futures position slid £117 to a 5-week low of £2,145.50 a tonne.

The world sugar market, which is priced in dollars and therefore escaped the bearish currency pressure, moved a little higher on the week as the recent more buoyant mood continued to be encouraged by physical demand.

In its monthly market review, published yesterday, London sugar trader C. Czarnikow projected 1986-87 European sugar production in a 4m tonnes range either side of being unchanged on this season's figure. It noted that F. O. Licht, the West German sugar statistics agency, had recently indicated a rise in European beet sowings but pointed out that the biggest increases were seen in lower yielding Italy and Poland whereas in high-yielding France a 10 per cent reduction was expected.

WEEKLY PRICE CHANGES

	Latest prices per tonne unless stated	Ch'nge on week	Year ago	1985/86 High	1985/86 Low
OTHER COMMODITIES					
Cocoa Futures May	£1428	-108.0	£2066	£2,268.0	£1,484
Coffee Futures May	£2440.5	-117	£2286.5	£5,007.5	£1487.0
Cotton Index	51.85c	-1.15	67.05c	71.95c	47.70c
Des. Coconut	†	—	£1175	£1,250	£510
Gas Oil Fut. April	$143.0	+7.20	$252.30	$978.25	$153.75
Jute UJA BWC grade	$290	—	$890	$945	$290
Rubber kilo	58p	-1.5	66p	70p	55p
Sisal No. 3	$595	—	$640	$670	$600
Sugar (Raw)	$176xu	+5	$112	$171	$82
Tea (quality) kilo	196p	-6	†	340p	160p
(low med) kilo	118p	—	188p	255p	90p
Wooltops 64s Super	416p kilo	—	522p kilo	596p kilo	589 kilo

† Unquoted. (g) Madagascar. (a) March-April. (v) April. (y) April-May. (u) May.

INDICES

FINANCIAL TIMES

REUTERS

DOW JONES

* Not available due to suspension of tin LME

POTATOES

Nov	81.00	81.50	81.50-81.00
Feb	88.00	88.00	—
Apr	104.00	105.90	105.5-105.50

Sales: 844 (495) lots of 40 tonnes. Earlies—July 96.30, unchanged, 94.00-92.50; Aug 75.00, unchanged; Sept 62.50, unchanged. Sales: 11 (8) lots of 10 tonnes.

SOYABEAN MEAL

	Yesterday close	+ or —	Business Done
	£ per tonne		
Apr	133.0-134.0	-1.50	134.0
June	131.8-151.5	-9.50	—
August	127.5-127.8	-1.10	—
October	128.0-128.5	-1.50	198.5
Dec	128.5-129.5	-2.10	129.2
Feb	130.0-133.0	-1.00	—
Apr	130.0-134.0	-0.50	—

Sales: 70 (20) lots of 20 tonnes.

MEAT

Pigmeat prices continued to ease due mainly to falling physical prices and some light belated profit-taking and light fresh selling. Beef prices eased because of lower physicals creating fresh selling interest and light profit-taking, reports Eastern Capital-CCST.

PIGMEAT Month	Y'day close	+ or —	BEEF Y'day close	+ or —
	p. per kilo (Deadweight)			
April	109.60	—	194.10	-4.40
May	101.50	—	193.00	+1.00
June	101.50	-0.50	183.00	+1.00
July	100.40	-0.60	199.00	-2.00
Aug	100.80	-0.70	185.00	-8.00
Sep	105.90	-0.50	183.00	+3.00

Pigmeat sales: 43 (47) lots of 50 carcases, 3,250 kg.

Beef sales: 8 (0) lots of 20 sides.

MEAT COMMISSION—Average fatstock prices at representative markets. GB—Cattle 94.59p per kg lw (-0.81). GB—Sheep 223.15p per kg est dcw (+9.80). GB—Pigs 72.41p per kg lw (-4.43).

COCOA

At the end of an extended opening call futures had eased more than £40 and continued trading on a weak note thereafter. Producers declined to follow the market lower but consumers were actively buying scale-down throughout the day, reports Gill and Duffus.

COCOA	Yesterday's Close £ per tonne	+ or —	Business Done
March	1419-1420	-94.0	1485-1450
May	1487-1498	-82.5	1485-1425
July	1453-1454	-88.5	1515-1452
Sept	1485-1487	-83.5	1550-1488
Dec	1518-1520	-78.5	1570-1518
March	1550-1550	-74.0	1583-1550
May	1070-1575	-74.0	1610-1570

Sales: 6,791 (3,120) lots of 10 tonnes.

ICCO indicator prices (US cents per pound). Daily price for March 20: 98.78 (98.76); five-day average for March 21: 98.63 (98.62).

GRAINS

WHEAT Mnth	Yesterd'ys close	+ or —	BARLEY Yesterd'ys close	+ or —
Mar	—	—	—	—
May	118.00	+0.55	116.20	+0.20
July	112.66	+0.60	—	—
Sept	99.75	+0.15	98.20	+0.20
Nov	102.00	-0.05	101.50	+0.19
Jan	106.00	—	104.70	+0.05

Business done — Wheat: March 116.00-0.95, May 118.50-8.10, July 119.65, Sept 99.75, Nov 102.70-2.65, Jan 106.10-6.00. Sales 158 lots of 100 tonnes. Barley: March 113.75, May 116.20-8.15, Sept 98.20-8.05, Nov 101.50, Jan 104.75. Sales: 77 lots of 100 tonnes.

LONDON GRAINS—Wheat: US dark northern spring no. 1 15 per cent May 123.50, June 121.75 trans-shipment east coast. US no. 2 soft red winter June 92.25, July 91.75. EC second-half April 141. English feed fob April 119.50/120.00 buyer/seller, May 120.75 seller, April/June 120.00 buyer, Sept 191.00/191.50 buyer/seller, Jan/March 112.00. April/June 117.00 sellers. Maize: US no. 3 yellow/French trans-shipment east coast first-half April 141.50. Barley: English feed fob March 116.00, April 116.50, April/June 121.00 sellers, July/Aug 98.00, Aug 99.00, Sept 100.50, Oct/Dec 103.00 buyer.

HGCA—Locational ex-farm spot prices. Feed barley: E Mids 113.70, N. East 113.90, Scotland 110.00. The UK monetary coefficient for the week beginning Monday March 31 (based on HGCA calculations using 3 days' exchange rates) is expected to change to 1.089.

BASE METALS

ALUMINIUM

	Unofficial close (p.m.) £ per tonne	+ or —	High/low
Cash	809-10	-9.5	808/806.6
3 months	829-30	-10.75	833/826

Official closing (am): Cash 808-.5 (809-10), three months 825-7 (832.5-3.5), settlement 806.5 (810). Final Kerb close: 826-7.

Turnover: 11,375 tonnes.

COPPER

Higher grade	Unoffic'l close	+ or —	High/low
Cash	978-3	-9.75	975/965
3 months	991.5-2	-11.5	996/995

Official closing (am): Cash 962-3 (979-80), three months 985.6 (1000-1), settlement 963 (980). Final Kerb close: 989-90.

Cathodes			
Cash	979-4	-19.5	966
3 months	994-6	-8.5	—

Official closing (am): Cash 963-5 (975-7), three months 987-8 (996-8), settlement 965 (977).

Turnover: 58,625 tonnes. US producer prices 70-75 cents per lb.

LEAD

	Unofficial close (p.m.) £ per tonne	+ or —	High/low
Cash	248-8	-3	249
3 months	255.0-0.5	-4	257.5/254

Official closing (am): Cash 249-.5 (250-0.5), three months 256-.5 (258-8.5), settlement 249.5 (250.5). Final Kerb close: 254-5.

Turnover: 5,525 tonnes. US spot: 16.25-20 cents per lb.

NICKEL

	Unofficial close (p.m.) £ per month	+ or —	High/low
Cash	2755-8	-58	—
3 months	2811-4	-60	2850/2795

Official closing (am): Cash 2755-60 (2780-5), three months 2815-20 (2860-70), settlement 2760 (2785). Final Kerb close: 2805-15.

Turnover: 1,714 tonnes.

TIN

Kuala Lumpur tin market: Unavailable (15.70) ringgit per kg.

RUBBER

PHYSICALS — The London market opened slightly easier, met considerable selling pressure throughout the day and closed sharply lower, reports Lewis and Peat. Closing prices (buyers): Spot 58.00p (same); May 58.50p (57.50p); June 57.00p. The Kuala Lumpur fob price (Malaysia/Singapore cents per kg): RRS No 1 was 195.0 (194.9) and for SMR 20 191.0 (190.0).

ZINC

High grade	Unofficial close (p.m.) £ per month	+ or —	High/low
Cash	418-2	-3.5	410
3 months	430.6-1	-3.25	431/428

Official closing (am): Cash 415.5-6 (418.5-3.5), three months 428-.5 (430-1), settlement 416 (419.5). Final Kerb close: 430-1.

Turnover: 3,150 tonnes. US Prime Western: 30.50-35.75 cents per lb.

GOLD

Gold rose $3½ an ounce from Thursday's close in the London bullion market yesterday to finish at $354-$354½. The metal opened at $351¾-$352¼ and traded between a high of $355-355½ and a low of $350-350½. Trading was fairly uneventful ahead of the weekend with some squaring of books accounting for the firmer trend.

GOLD BULLION (fine ounce)	Mar. 21	
Close	$354-354½	(£230¼-935⅝)
Opening	$361¾-369¼	(£234-934⅛)
M'n'g fix	$361.35	(£234.499)
Aft'n'n fix	$368.90	(£234.766)

GOLD AND PLATINUM COINS		
Kr'g'r'nd	$353-353½	(£234¾-935)
½ Krug.	$185¾-187	(£123½-124⅛)
¼ Krug.	$94½-90½	(£63¾-63⅛)
1/10 Krug.	$38¼-39	(£26½-26)
Mapleleaf	$301⅛-362	(£240½-840¾)
Angel	$363½-365½	(£241¾-243)
1/10 Angel	$37-42	(£34½-28)
New Sov.	$84¾-85¼	(£50¼-56¾)
½ New Sov	$50¼-50¾	(£33½-33¾)
Old Sov.	$90¼-91¼	(£60-60¾)
$90 Eagle	$449-460	(£292¾-319¼)
Noble Plat	$439¾-444¾	(£292½-295¾)

SILVER

Silver was fixed 0.4p an ounce higher for spot delivery in the London bullion market yesterday at 382.55p. US cent equivalents of the fixing levels were: spot 574.25c, up 2.85c; three-month 584.3c, up 2.9c; six-month 594.75c, up 2.85c; and 12-month 615c, up 2.15c. The metal opened at 384-385½p (577-579c) and closed at 383-384½p (576-578c).

SILVER per troy	Bullion Fixing Price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	382.55p	+0.40	381.0p	-2
3 months	392.65p	+0.55	392.25p	-2.25
6 months	401.90p	—	—	—
12 months	420.10p	-0.20	—	—

LME—Turnover: 5 (11) lots of 10,000 oz.

Three months high/low 393p, final kerb 393-5p.

OIL

Two cargoes of Statfjord sold to major refiners. Otherwise, dated North Sea crudes were neglected. There were several deals in Brent for May and one for June. May WTI opened 37c down on Nymex and traded at 28c down at 1 pm EST. In the petroleum products market gas oil prices fell as news from Opec remained confused. Next week's developments are awaited before any commitments are made—Petroleum Argus, London.

SPOT PRICES

	Latest	Change + or —
CRUDE OIL—FOB ($ per barrel)—April		
Arab Light	—	—
Arab Heavy	—	—
Dubai	11.50-11.70	-0.10
Brent Blend	13.25-13.55	-0.05
W.T.I. (1pm est)	12.50-12.60	-0.45
Forcados (Nigeria)	—	—
Urals (cif NWE)	—	—
PRODUCTS—North West Europe Prompt delivery cif ($ per tonne)		
Premium gasoline	157-161	—
Gas Oil	170-177	-4.5
Heavy fuel oil	88-90	—
Naphtha	130-134	—

‡May

Turnover: 0 (0) lots of 1,000 barrels.

GAS OIL FUTURES

Month	Yesterd'ys Close	+ or —	Business Done
	$ US per tonne		
April	155.50	-8.00	162.50-55.00
May	143.50	-1.50	145.50-42.25
June	134.85	-2.20	138.00-34.25
July	139.50	-2.75	157.00-32.50
Aug	136.00	-1.00	138.25-36.00
Sep	138.00	-4.50	—

Turnover: 3,488 (3,323) lots of 100 tonnes.

CRUDE OIL FUTURES—Brent Blend Index. $ a barrel. (Close, change, business done): Index 13.79, -0.63; April 13.50-15.00; May 13.00-15.00; June 12.90-14.50; July 12.80-14.00; Aug 12.10-14.50.

Turnover: 9 (0) lots of 1,000 barrels.

PRECIOUS Metals advanced on news of violence in South Africa and guarded optimism about talks between Opec and non-Opec producers, reports Heinold Commodities. Copper rallied in sympathy with precious metals and attracted fund buying. Sugar continued its rally on managed fund buying. Cocoa attracted follow-through technical selling following Thursday's breach of chart support levels. The high level of deliverable stocks encouraged selling in coffee. Cotton firmed on profit-taking following recent steep declines. Oil traded lower most of the session but firmed on statements by the Algerian oil minister that talks between Opec and non-Opec producers were progressing well. Maize declined slightly in continued reaction to reports of acreage increases and soyabeans declined on weak export demand for the products.

NEW YORK

ALUMINIUM 40,000 lb. cents/lb

	Close	High	Low	Prev
March	60.25	—	—	60.00
April	60.30	—	—	69.30
May	60.50	60.60	59.60	60.25
July	60.85	60.80	60.30	60.55
Sept	61.20	61.20	60.79	60.85
Dec	61.65	61.60	61.25	61.20
Jan	61.80	—	—	61.45
March	62.15	—	—	61.75
May	62.45	—	—	62.05
July	62.75	—	—	62.35

HEATING OIL 42,000 US gallons, cents/US gallons

	Latest	High	Low	Prev
April	52.00	52.00	48.40	50.47
May	45.50	45.51	42.00	43.51
June	42.31	42.25	39.60	40.31
July	41.31	41.87	39.30	39.87
August	41.62	41.39	39.40	39.92
Sept	42.60	42.50	40.90	49.50
Oct	43.30	42.00	41.15	41.39
Nov	44.19	42.75	42.75	42.19
Dec	44.50	44.75	43.00	42.90
Jan	43.25	—	—	43.50

CHICAGO

	Close	High	Low	Prev
May	309.6	312.0	307.4	[illegible]
Jul	252.0	258.0	251.0	[illegible]
Sept	255.9	259.2	255.0	[illegible]
Dec	265.0	269.9	264.4	[illegible]
Mar	267.4	270.0	267.4	[illegible]

SPOT PRICES—Chicago loose lard 11.50 (12.00) cents per pound. Handy and Harman silver bullion 57[illegible] (573.0) cents per troy ounce.

SUGAR

Reports that India had paid $220 a tonne c and f lifted prices back around the high points touched earlier this week, reports C. Czarnikow.

LONDON DAILY PRICE—Raw sugar $176.00 (£117.50), up $2.00 (up £1.0[illegible]) a tonne for March-May delivery. White sugar $201.50, unchanged.

No. 6 Contract	Yest'day's close	Previous close	Business done
	$ per tonne F.O.B.		
May	170.8-171.0	165.2-165.4	171.4-16[illegible]
Aug	177.2-177.6	170.2-170.4	177.8-17[illegible]
Oct	180.4-180.6	173.2-173.4	180.8-17[illegible]
Dec	183.6-184.6	176.6-177.4	—
Mar	190.2-191.6	183.0-185.8	109.0-18[illegible]
May	194.2-194.8	187.0-187.6	—
Aug	198.2-199.8	191.0-192.0	—

Sales: 2,453 (1,667) lots of [illegible] tonnes.

Tate and Lyle delivery price for granulated basis sugar was £225 (£221.50) a tonne for export.

International Sugar Agreement (US cents per pound fob and stowed Caribbean ports.) Prices for March [illegible] Daily price 7.00 (6.94); 15-day average 6.60 (6.52).

No 6 cif contract—May 189.5-90, Aug 195.8-6.0; Oct 198.0-9.0. Sales 303 lots of 50 tonnes.

PARIS—(FFr per tonne): May 141[illegible]/1418, Aug 1450/1453, Oct 1484/145[illegible], Dec 1525/1520, March 1550/1560, M[illegible] 1530/1605.

FREIGHT FUTURES

The dry cargo market continued to ease and remained thin. Tanker values rose in line with the physical market, reports Clarkson Wolff.

	Close	High/Low	Prev.
Dry Cargo			
April	802/802.5	805/729	830/80
July	735/736	736/735	735/74
Oct.	838.5/841	830.5	840.6/8
Jan.	856/860	856	856/80
April	923/940	—	925/94
July	795/820	—	795/86
Oct.	870/925	—	880/92
Jan.	860/945	—	870/92
BFI	744.5	—	746.5

Turnover: 111 (40).

	Close	High/Low	Prev.
Tankers			
Mar.	800/970	965/900	920/95
April	820/830	840/930	835/84
May	780/810	—	810/82
June	750/810	—	860/87
Sept.	875/1020	—	986/99
Dec.	860/1000	—	860/100
BTI.	870.5	—	948.0

Turnover: 62 (34).

Equity leaders refuse to retreat from record levels

Index up 51.5 on week at 1412.2

Account Dealing Dates

First Dealings	Option Declarations	Last Dealings	Account Day
Mar 10	Mar 26	Mar 27	Apr 7
Apr 1	Apr 10	Apr 11	Apr 21
Apr 14	Apr 24	Apr 25	May 6

* "New-time" dealings may take place from 9.30 am two business days earlier.

The pace slowed yesterday but London equities stubbornly refused to give back the sharp gains of the three previous sessions. A technical reaction looked initially possible after the three-day uninterrupted rise of over 57 points in the FT Ordinary share index. Jobbers tentatively marked blue chip issues lower at the opening but profit-taking sales were countered by fresh demand and prices gradually reverted to overnight levels.

Institutional investors appeared to be satisfied with recent purchases and confined their attentions to stocks about to report trading statements or selected situation issues. Distillers came to the fore on the early announcement that the Office of Fair Trading had given the green light for the conditional Guinness offer to proceed. Shortly afterwards rival bidder Argyll group countered with an increased final bid for Distillers.

The re-investment of profits resulting from recent successful takeover situations continued and perennial favourite Rowntree Mackintosh was singled out. Large buying followed suggestions that Swiss group Suchard was ready to pounce. Other beneficiaries of speculative activity including leading mining house RTZ, MEPC and Pearson group.

Post-Budget enthusiasm continued to inspire smaller investors who concentrated on a broad range of first and second-line industrials. Following a strong performance by the exchange rate—it closed at $1.5115—hopes strengthened of further cuts in interest rates. Three months interbank settled at 11⅛ per cent compared with current base lending rates of 11½ per cent but the authorities signalled that any further reduction so soon would not be welcomed.

International equities, dull since the Budget imposition of a 5 per cent tax on American Depository Receipts, brightened late in the session. The Treasury Economic Secretary stated that the Government would ensure that the proposed measure will not have a wider effect than intended.

The FT Ordinary share index which soared through 1400 on Thursday only 11 trading days after piercing 13000 for the first time, closed 2.9 down at 1412.2 but over the five-day period recorded another big advance of over 51 points.

Clearers easier

The surging pound attracted fresh overseas buying to Gilt-edged securities. Demand was again aimed at the four partly-paid issues and in the after-hours' trade the two £25-paid stocks were standing a point up on balance. Fresh Government funding via the issue of three tranches, totalling £400m, of existing stocks made no impact on the tone. Despite confirmation of a lower rate of inflation, index-linked Gilts rebounded from recent weakness. Sudden demand caught both the market and the authorities short of stock and prices rose two points before retreating. Most surrendered a point of the rise prior to improving again late and ending around 1½ points up on the day.

Clearing banks paused for breath yesterday after a fortnight which has seen the sector advance strongly in response to bullish brokers' notices in the wake of the impressive dividend season. Demand has also been stimulated by the absence of any penal tax measures in the Budget and a press suggestion that the re-rating of the clearers has only just begun. End-week profit-taking clipped 25 from NatWest, but the shares still retained a rise of 94 on the week and 183 over the two-week period at 910p. Midland, at 536p, lost 23 of Thursday's advance of 54, while Barclays dipped 21 to 568p and Lloyds gave up 19 at 658p. Elsewhere, Standard Chartered, firm of late on consortium bid speculation, declined 14 at 555p; the preliminary results are scheduled for Tuesday. Discount Houses continued to reflect the move towards cheaper credit costs with Cater Allen a further 25 to the good at 613p. Wintrust, 10 up at 320p, continued firmly among merchant banks, but Schroders fell a point to £14¾ following profit-taking in the wake of the results.

Composites led the way in Insurances. Demand ahead of their respective preliminary statements on April 2, helped GRE improve 12 to 880p and Sun Alliance put on 10 at 720p. General Accident moved up 13 at 898p. Dull since the budget on competition fears following the Government's move to encourage investment in UK equities via a Personal Equity plan, Life Insurances steadied.

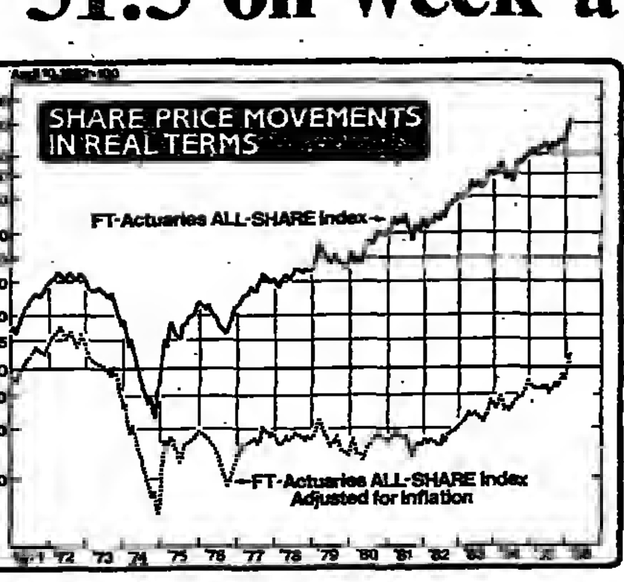
Wellcome attracted late support and touched 222p prior to closing 7 higher on balance at 217p.

Distillers, buoyant in early trading on news that the revised offer from Guinness had escaped a Monopolies Commission reference, made further progress in the wake of the increased and final shares-and-cash bid from rival suitors Argyll Group and touched a new peak of 685p before settling 37 up on balance at 677p. Argyll, which earlier announced that it held just over 17.5 per cent of Distillers and was believed to have made further market purchases during the day, dipped to 320p before settling only 7 cheaper on balance at 330p. Guinness closed 10 up at 310p amid widespread speculation that the company will raise its bid terms on Monday. Distillers has agreed the sale of selected whisky brands to Lonrho's Whyte and Mackay subsidiary. Lonrho, still buoyed by consortium takeover hopes, closed 5 up at 290p, after 294p.

Breweries finished a remarkable week on a bright note. The Chancellor's decision not to raise excise duty continued to stimulate widespread support throughout the leaders with Bass 23 higher for a week's gain of 110 to 825p. The better-than-anticipated preliminary profits prompted renewed support for Boddingtons which touched 126p before settling 7 up on the day and 19 on the week at 124p.

Housebuilders continued to make good progress in the wake of the Mortgage Rate cuts. Bryant adding 3 more to 122p and Bellway 4 to 184p. Further demand in a market none-too-well supplied with stock lifted C. H. Beazer 14 to 636p, but comment on the interim results prompted a reaction of 14 to 140p in Barratt Developments. Elsewhere, Press comment stimulated Derek Crouch which gained 8 to 150p, but the board's profits warning continued to depress Phoenix Timber which gave up 5 more to 95p.

ICI gave another subdued performance and settled 5 cheaper at 991p. Elsewhere in the Chemical sector, revived bid speculation lifted Foseco 24 to 298p. USM-quoted Alida continued to draw strength from the good annual results and rose 25 to 425p.



Woolworth wanted

Leading Retailers closed a shade easier for choice, despite the optimistic tenor of the latest FT-CBI survey of distributive trades. Woolworth provided a noteable exception, however, and advanced 23 to 643p amid persistent buying ahead of next Wednesday's preliminary results. Mail-order house Grattan dipped 14 to 428p in reaction to the rights issue that accompanied the full-year figures. Empire fell 4 to 172p in sympathy, but Freemans, scheduled to reveal annual results on Monday, were unchanged at 424p. Further consideration of the respective interim and final results lifted Blanchards 5 to 123p and Wickes 16 to 175p. Albert Martin, full-year figures expected next Tuesday, improved 5 to 101p, while revived interest was noted for Etam, 10 up at 250p and Bentalls, a few pence dearer at 172p.

Still reflecting fears of a possible Government squeeze on defence spending, GEC lost 6 at 192p and Racal declined 4 at 192p. Among other Electricals leaders, BICC relinquished 5 to 340p ahead of Wednesday's preliminary figures, while falls of 2 and 4 respectively were seen in British Telecom, 226, and Thorn EMI, 477p. STC, at 122p, lost half of Thursday's rise of 12. Elsewhere, Norhain plummeted 20 to 170p, after 160p, in reaction to the profits warning, while Kode International cheapened 10 to 130p on further consideration of the poor results. Renewed speculative support amid asset injection hopes helped Sunleigh touch a new peak of 26½p before closing unchanged on the day, but 3½ dearer on the week at 25½.

Sound Diffusion edged forward a penny more at 46p¼ and United Leasing added 11 at 278p.

Engineers finished a lively week with further good gains. Among the leaders, GKN advanced 8 more to 372p, while Vickers touched 480p before closing below the best at 475p, up 7 on balance. Hawker held at 613p for a rise of 42 on the week. In contrast, Delta were actively traded down to 230p before closing 11 off on balance at 239p following disappointing preliminary figures. Banro Industries, on the other hand, still reflecting record annual profits, rose 5 more to 185p. Wadkin were notable for a fresh rise of 13 to 243p, while Press mention stimulated interest in Birmid Qualcast which closed 3½ higher at 125p.

The sector's two major confectionary groups made most of the running in Foods. Perennial takeover favourite Rowntree Mackintosh revived strongly amid rumours of a bid from Swiss group Suchard and the close was 50 higher on the day at 525p. Meanwhile, Cadbury Schweppes touched 189p in active trading before settling a penny cheaper on balance at 186p, following reports that Allied-Lyons had made a firm offer of around £100m for its beverage division; Allied-Lyons rose 7 to 337p. S. and W. Berisford edged up a couple of pence more to 231p as potential bidders Tate and Lyle, 7 higher at 625p, increased its holding to 8.2 per cent. Hillsdown Holdings, with just over 10 per cent of the Berisford equity, eased 3 to 250p. Elsewhere, Dee Corporation rose 12 to 295p following comment on the group's major US acquisition.

Trusthouse Forte, recently the subject of US bid rumours, encountered profit-taking in the absence of any developments and settled 6 off at 202p. Ladbroke, however, attracted fresh buying interest and firmed 7 more to 367p. Garfunkels Restaurants gained 4 to 166p in response to the good annual results.

Boots down

Among the miscellaneous industrials leaders, Boots met selling following a broker's downgraded profits forecast and touched 267p before settling 8 cheaper on balance at 272p. Reckitt and Colman, in contrast, advanced 15 to 805p ahead of the preliminary figures due early next month, while Reed International, still benefiting from the sale of Hamlyn Publishing, moved up 21 further to 874p. Glaxo hardened ⅛ to £10⅝ following a reassessment of the ADR Budget proposals. Elsewhere, Pearson, reflecting a revival of take-over speculation, advanced to 508p before settling 16 higher on the day at 497p. Profit-taking after the preliminary results prompted a reaction of 7 to 207p in Turner and Newall, but Press mention assisted Suter, 13 higher at 286p, and Expamet, 8 dearer at 182p. USM quoted Parkfield Group advanced afresh to 455p before reacting to close only 7 firmer on the day at 445p. Satisfactory preliminary results left Bestobell 9 to the good at 289p. Aaronson encountered late speculative demand and rose 14 to 110p, while Burns Anderson came to life with a gain of 6 at 69p along with Robert Moss which rose 9 to 109p.

The liquidation of bull positions in the wake of the good annual results left recently-firm Pleasurama 16 off at 375p. Elsewhere in the Leisure sector, Zetters attracted fresh support and firmed 4 to 155p, while Brent Walker gained the same amount to 128p.

T. Cowie rose 8 more to 174p—a rise of 22 on the week—as investors were encouraged by the confident tenor of the chairman's annual review and the proposed flotation of 50 per cent of its contract hire and leasing business. Elsewhere in Motor Distributors, revived demand in a narrow market lifted C. D. Bramall 33 to 298p.

Publishers took up a firmer stance under the lead of Trinity International which rose 35 to 320p in response to the annual results. United Newspapers hardened a few pence to 325p ahead of next Tuesday's preliminary figures, while fresh support was noted for EMAP A, 5 up at 168p. Advertising agencies often displayed double-figure gains following a broker's bullish report on the sector. Saatchi and Saatchi closed 25 higher at 975p, while Wight Collins Rutherford Scott put on 20 to 393p, and Lowe Howard Spink, annual results expected next Wednesday, rose 38 to 388p.

Properties came to life as buyers began to show selective interest. MEPC rallied 10 to 346p, while recently-neglected British Land gained 7 to 177p. Greycoat firmed 4 to 252p, as did Samuel Properties, to 192p; the latter's interim results are expected around the middle of next month. Buyers favoured Rosehaugh, up 15 at 580p, and Speyhawk, 10 higher at 400p. Parkdale found support and put on 11 to 61p, but Phoenix Property encountered profit-taking and shed 4 to 72p. Control Securities lost a penny to 16p following the poor interim figures.

P & O Deferred encountered occasional offerings ahead of next Tuesday's preliminary figures and closed 15 cheaper at 541p. Elsewhere in Shippings, revived speculative demand lifted James Fisher 9 for a two-day improvement of 19 to 87p.

Textiles paraded several good features. Buying in response to a de Zoete and Bevan recommendation lifted Allied 45 to 565p, while Tomkinsons continued to reflect recent favourable comment with a fresh improvement of 8 at 183p. John Foster moved up 12 to 96p with the help of "call" option activity and old bid favourite Lister revived with a rise of 6 at 74p.

Financials were relatively subdued. Exco International eased a couple of pence to 220p after announcing preliminary figures in line with general expectations. MAI, which revealed interim figures earlier in the week, put on 15 to 425p. Elsewhere, favourable comment continued to boost Antofagasta, finally 60 better for a two-day advance of 90 to 510p.

Tricentrol weak

Rumour and counter-rumour regarding the current OPEC meeting in Geneva ensured a lively day in the leading oils. The majors—BP and Shell—were finally unchanged on the day at 573p and 773p respectively, but retained good gains on the week on hopes of an eventual Opec agreement on production cuts. Adverse comment on the preliminary results and the outlook for the current year unsettled Britoil which dipped 6 to 177p, while Tricentrol dropped 9 to a 1985-86 low of 91p on fears of a substantial reduction in the final dividend expected on Wednesday.

The heavy speculative buying that had boosted RTZ from around 515p at the turn of the year to 722p on Thursday evening looked to have run its course during early trading when RTZ retreated to around the 707p level on substantial profit-taking. However, in mid-afternoon a sustained burst of local and overseas buying, again prompted rumours that a substantial share stake is being accumulated by Australian Robert Holmes a Court, coupled with talk that RTZ is about to swap its near 53 per cent stake in CRA for 20 per cent of BHP, saw RTZ shares surge ahead to 760p mid at one point before a close of 755p, a net gain of 33p and a week's rise of 125p. RTZ's full-year results are expected around the second week of April. Consolidated Gold Fields performed similarly and also reflected takeover speculation; sold down to 507p initially Goldsfields subsequently raced ahead to end the session another 15 higher at 537p—up 64 on the week.

Diamond producer De Beers rounded off a good week with a 5 gain at a 1985-86 high of 525p—a rise of 50 over the five-day period—on persistent rumours of an imminent hike in diamond prices.

Another move to record levels by overnight Sydney and Melbourne markets prompted further good gains throughout Australians. Poseidon proved an exception and dropped 10 to 141p following the sharply lower interim profits and the proposed A$14.4m rights issue in the ratio of one-for-four at A$2 a share. Elsewhere, Conroy Petroleum and Natural Resources featured with a 13 jump to 43p, after 46p, on news of the "exceptionally encouraging" lead/zinc discovery on the Laois/Kilkenny borders of the Irish Republic.

Traded Options

Dealers reported another lively business in Traded Options. Total contracts struck amounted to 26,514 comprising 22,355 calls and 4,159 puts. Activity was again well-distributed throughout the list with Distillers, Lonrho and RTZ all attracting in excess of 2,000

FINANCIAL TIMES STOCK INDICES

	Mar. 21	Mar. 20	Mar. 19	Mar. 18	Mar. 17	Mar. 14	year ago
Government Secs	91.34	91.09	90.03	88.99	88.53	89.67	80.73
Fixed Interest	95.03	94.30	93.59	93.06	99.93	99.90	84.53
Ordinary ♥	1419.9	1415.1	1389.5	1374.6	1357.7	1360.7	992.4
Gold Mines	312.0	310.8	319.1	317.4	319.3	319.7	605.4
Ord. Div. Yield	3.84	3.85	3.91	3.95	3.99	3.99	4.57
Earnings, Yld. %(full)	9.13	9.13	9.31	9.40	9.50	9.50	11.33
P/E Ratio (net) (*)	13.59	13.60	13.33	13.90	13.07	13.07	10.75
Total bargains (Est.)	42,500	41,191	40,491	41,093	39,553	34,110	35,442
Equity turnover £m.	—	985.27	1093.06	753.85	793.10	930.12	414.04
Equity bargains	—	41,104	38,164	37,201	40,196	40,339	28,600
Shares traded (ml)	—	411.3	479.1	037.6	303.3	389.1	317.4

♥ 10 am 1413.7. 11 am 1413.3. Noon 1417.1. 1 pm 1417.9. 2 pm 1419.9. 3 pm 1415.1. 4 pm 1413.5. Day's High 1417.9. Day's Low 1416.9. Basis 100 Government Securities 15/10/26. Fixed interest 1928. Ordinary 1/7/36. Gold Mines 12/9/55. SE Activity 1074. Latest index 01-246 8026. *Nil=13.07.

HIGHS AND LOWS / **S.E. ACTIVITY**

—	1985/86 High	1985/86 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	91.24 (21/3/86)	78.09 (28/1/85)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	98.03 (21/3/86)	99.17 (28/1/85)	150.4 (28/11/47)	50.53 (3/1/75)
Ordinary	1415.1 (20/3/86)	911.0 (25/7/85)	1415.1 (20/3/86)	49.4 (26/6/40)
Gold Mines	536.9 (15/4/85)	217.6 (5/11/85)	734.7 (15/2/83)	43.5 (28/10/71)

INDICES	Mar. 20	Mar. 19
Daily Gilt Edged Bargains	238.9	932.9
Equities Bargains	263.3	947.3
Value	1991.49	2,309.4
5 day Average Gilt Edged Bargains	900.8	199.1
Equities Bargains	265.3	267.9
Value	1,937.5	1,858.5

LEADERS AND LAGGARDS

Percentage changes since December 31 1985 based on Thursday, March 20 1986

Textiles	+ 42.41	Office Equipment	+ 22.36
Motors	+ 38.03	Industrial Group	+ 22.29
Metals and Metal Forming	+ 38.74	Consumer Group	+ 21.58
Mining Finance	+ 32.22	Shipping and Transport	+ 20.86
Tobaccos	+ 31.28	Electronics	+ 20.52
Other Industrial Materials	+ 31.18	Stores	+ 20.52
Electricals	+ 30.71	500 Share Index	+ 20.31
Banks	+ 30.45	All-Share Index	+ 20.02
Building Materials	+ 28.05	Brewers and Distillers	+ 19.53
Leisure	+ 28.03	Financial Group	+ 10.28
Capital Goods	+ 27.64	Other Groups	+ 18.47
Merchant Banks	+ 27.59	Investment Trusts	+ 18.27
Contracting, Construction	+ 27.31	Telephone Networks	+ 15.45
Mechanical Engineering	+ 27.02	Food Manufacturing	+ 15.15
Chemicals	+ 26.97	Overseas Traders	+ 11.58
Packaging and Paper	+ 26.42	Property	+ 10.35
Health and H'sehold Products	+ 28.10	Insurance (Life)	+ 9.52
Gold Mines Index	+ 24.42	Food Retailing	+ 8.21
Publishing and Printing	+ 23.87	Insurance Brokers	+ 5.75
Insurance (Composite)	+ 22.95	Oils and Gas	+ 5.45

Engineers' body elects fellows

FOUR honorary fellows of the Institution of Civil Engineers were announced yesterday. They are Lord Ezra, chairman of Associated Heat Services; Lord McAlpine of Moffat, a partner of Sir Robert McAlpine and Sons; Lord Scanlon and Sir Francis Tombs, chairman of the Engineering Council, Rolls-Royce, Turner and Newall plc, director of N. M. Rothschild and Sons, Celltech and Shell-UK.

RECENT ISSUES

EQUITIES

Issue price	Amount paid up	Latest Renunc. date	1986 High	1986 Low	Stock	Closing price	+ or −	Net Div.	Times covered	Gross Yield	P/E Ratio
§160	F.P.	19/4	194	180	✠BPP Hldgs. 10p	194	+2	R6.0	2.2	3.7	17.3
‡‡	F.P.	—	140	123	Chillington Corp	130	+5	—	—	—	—
‡‡	F.P.	—	68	65	Do. Defd.	68	+1	—	—	—	—
165	F.P.	19/4	195	188	Gold Greenlees T. 5p	193	+5	R2.9	3.2	2.1	21.1
§105	F.P.	19/4	166	138	Jarvis Porter 10p	138	−2	R3.5	2.3	3.4	15.9
105	F.P.	14/3	145	119	Macro 4 5p	139	−1	R1.0	6.6	1.0	21.2
§120	F.P.	24/4	140	134	✠Menvier-Swain 5p	137	−1	R2.3	3.6	2.6	15.5
§197	F.P.	7/3	140	195	✠Microsystems 10p	135	......	R1.79	4.6	1.9	17.0
§148	F.P.	4/4	177	155	PPL 10p	170	−4	u9.5	6.0	2.1	11.2
‖	F.P.	—	900	775	Rodime 5p	775		—	—	—	7.0
§90	F.P.	4/4	96	85	✠Spice 5p	96	+1	u2.6	9.3	4.2	12.4
215	F.P.	1/9	934	915	Templeton Galbraith	933		Q5.97c	2.5	1.9	21.8
100	F.P.	27/3	102	95	Throgmorton USM	109	......	—	—	—	—
120	F.P.	24/3	939	156	Wellcome	217	+7	u2.08	2.9	1.4	29.2
—	F.P.	—	29	9	Westland Warrants	29	......	—	—	—	—

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1986 High	1986 Low	Stock	Closing price £	+ or −
88.265	£30	95/4	36	30½	American Medical Intl. 9⅜% Uns.Ln.2011	35	−⅛
§98.287	£25	19/6	36½	25⅛	Centrovincial Ests. 11⅜% 1st Mort Db.2016	38½	+½
‡‡	F.P.	—	112p	110p	Chillington 9½% Cum. Red. Pref.	119p	+1
§100	F.P.	—	108⅝	108¼	CALA 10.8% Red. 2011	108⅝	......
‡‡	F.P.	—	133p	125p	Devenish (J.A.) 4.5% Cnv 2nd. Pref.	133p	+8
—	F.P.	97/4	110p	105p	✠Electron-H'se 6½% Cnv. Cum Red Prf	107p	......
§99.11	F.P.	10/4	108	99¼	Hampton Tst. 11½% 1st. Mort. Deb. 2026	107½	−½
94.917	£30	9/5	36¼	18⅛	Inter-Am Dev Bk 9⅞% Uns Ln 2015	38¼	......
‖	Nil	25/4	124p	107p	Lawrence (W.) 8.5% Cnv.Cum.Red Pref.	124p	+1
—	F.P.	—	101⅜	100¼	Nationwide Bldg. Soc. 12⅛% 2/3/87	101⅜	+⅛
‡‡	F.P.	4/4	190p	140p	✠Parkfield 7% Cum. Cnv. Prf. 2005	190p	+11
‖	F.P.	10/4	105p	103p	Porter Chad. 8% Cnv.Cum.Red.Prf.'93	104p	......
§97.955	£26	25/4	39¾	95½	Samuel Props. 11% 1st. Mort.Deb.2016	38¾	+1⅜
§99.480	£35	—	08	24¾	S.E. 10⅛% Mort. Deb. 2016	27⅞	−½

RIGHTS OFFERS

Issue price	Amount paid up	Latest Renunc. date	1986 High	1986 Low	Stock	Closing price	+ or −
140	Nil	—	285pm	855pm	✠Alida Hlgs.	285pm	+25
200	Nil	—	75pm	65pm	Cullens Hldgs. 10p	75pm	......
0½	F.P.	11/4	10	7½	Dares Ests. 5p	9½	+½
150	Nil	—	68pm	59pm	Haywood Williams	66pm	......
330	F.P.	9/4	410	380	✠High Point Services 10p	305	−5
265	Nil	30/4	00pm	35pm	KLP 5p	50pm	+5
70	F.P.	7/4	81	75	Kent (J.) 5p	78	......
820	Nil	24/4	132pm	68pm	✠N.M.W. Computers	122pm	+7
100	Nil	—	70pm	48pm	Thomson T-Line	70pm	+12
11	Nil	—	9½pm	5½pm	Tranwood 5p.	9½pm	+1
116	F.P.	25/4	101	130	Wales (City of London)	151	+2
425	Nil	—	145pm	137pm	Wolseley-Hughes	145pm	......

Renunciation date usually last day for dealing free of stamp duty. *b* Figures based on prospectus estimates. *g* Assumed dividend and yield. F Forecast dividend cover on earnings updated by latest interim statement. H Dividend and Yield based on prospectus or other official estimates for 1986. R Forecast annualised dividend, cover and p/e ratio based on prospectus or other official estimates. *t* Indicated dividends: cover relates to previous dividend; p/e ratio based on latest annual earnings. *u* Forecast, or estimated annualised dividend rate, cover based on previous year's earnings. ¶ Issued by tender. ‡ Offered holders of ordinary shares as a "rights." ‖ Introduction. ** Issued by way of capitalisation. § Placing price. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or takeover. ■ Allotment price. ✠ Unlisted securities market. ‡‡ Dealt in under Rule 535 (3). ♥ Dealt in under Rule 535 (4) (a).

TRADITIONAL OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Mar 17	Apr 4	June 26	July 7
Apr 7	Apr 18	July 10	July 21
Apr 21	May 2	July 24	Aug 4

For rate indications see end of Unit Trust Service

Money was given for the call of Cookson, Stylo, Willis Faber, Ultramar, John Brown, Ferranti, Richardsons Westgarth, STC, Hawtin, Rex Williams Leisure, John Foster, Wellcome, Stainless Metalcraft, SI, Carless Capel, Electronic Rentals, Exco International and Arlen. Puts were done in Lloyds Bank and Unigate. No doubles were reported.

NEW HIGHS AND LOWS FOR 1985/86

NEW HIGHS (387)

BRITISH FUNDS (79), INT. BANK AND O'SEAS. GOVT. STLG. ISSUES (3), CORPORATION LOANS (7), COMMONWEALTH AND AFRICAN LOANS (2), LOANS (7), FOREIGN BONDS (3), AMERICANS (8), BANKS (14), BREWERS (11), BUILDINGS (23), CHEMICALS (10), STORES (15), ELECTRICALS (8), ENGINEERING (22), FOODS (16), HOTELS (8), INDUSTRIALS (44), INSURANCE (5), LEISURE (3), MOTORS (6), NEWSPAPERS (2), PAPER (13), PROPERTY (15), SHOES (2), TEXTILES (12), TOBACCOS (1), TRUSTS (43), OILS (1), OVERSEAS TRADERS (1), MINES (4).

NEW LOWS (15)

BANKS (1) MCorp, INDUSTRIALS (1) Intereuropa Tech., INSURANCE (1) *Dowey Warren*, SHIPPING (1) Graig Shipping, OILS (10) Atlantic Res., Gorlops Capel, Clyde Pet., Cons Intl. Pet., Intercont'l. Energy, Jackson Expln., Night Hawk Res., North Sea and Gen. Inv., Pict Pet., Tricentrol, MINES (1) Malaysia Mining.

RISES AND FALLS YESTERDAY

	Rises	Falls	Same	Rises	Falls	Same
British Funds	89	5	10	416	65	33
Corpns. Dom. and Foreign Bonds	31	8	35	145	31	194
Industrials	449	290	757	2,098	1,345	4,038
Financial and Props.	137	111	322	938	443	1,475
Oils	15	32	74	96	142	370
Plantations	3	1	11	18	15	43
Mines	48	23	110	195	194	518
Others	72	65	53	322	372	240
Totals	844	535	1,381	4,224	2,607	6,968

THURSDAY'S ACTIVE STOCKS

Based on bargains recorded in SE Official List

Stock	No. of changes	Thur. close	Day's change	Stock	No. of changes	Thur. close	Day's change
Midland Bank	41	559	+54	Legal General	24	778	− 5
Lloyds Bank	31	677	+44	Prudential	24	888	+11
NatWest Bank	30	935	+47	Royal Bk Scot	24	365	+25
GUS A	27	972	+52	Britoil	23	183	− 7
Turner Newall	27	214	+27	Grand Met	22	470	+18
Barclays	25	589	+34	Wellcome	22	210	−12

YESTERDAY'S ACTIVE STOCKS

Based on bargains over the five-day period ending Thursday

Stock	No. of changes	Last Thur. close	Change on week	Stock	No. of changes	Last Thur. close	Change on week
Wellcome	191	210	+ 5	RTZ	129	722	+95
NatWest Bank	147	650	+86	Lloyds Bank	123	877	+14
Midland Bank	147	559	+86	Beecham	121	378	+22
BAT Inds	143	411	+33	Glaxo	119	£10⅛	+ ⅛
Shell Trans	133	773	+18	Bass	117	802	+92
Barclays	128	589	+91	Marks Spencer	117	218	+19

5-DAY ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday

Stock	Closing price	Day's change	Stock	Closing price	Day's change
Argyll Group	330	− 7	Lowe Howard-S	388	+38
Boots	272	− 8	Marks and Spencer	216	—
Delta Group	239	−11	Pearson	497	+16
Distillers	677	+37	Pleasurama	375	−16
GKN	[illegible]	[illegible]	Rowntree Mack.	525	+50
Guinness	[illegible]	[illegible]	[illegible]	[illegible]	+ ½

هكذا من الأصل

S E DEALINGS

STERLING ISSUES BY FOREIGN GOVERNMENTS AND INTERNATIONAL INSTITUTIONS

CORPORATION & COUNTY

UK PUBLIC BOARDS

COMMONWEALTH GOVT.

FOREIGN STOCKS

(coupons payable in London)

STERLING ISSUES BY OVERSEAS BORROWERS

BANKS, DISCOUNT

BREWERIES

COMMERCIAL, INDUSTRIAL

A—B

C—D

E—F

G—H

H—K

هكذا منه الأصل

STOCK EXCHANGE DEALINGS

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission.

Details relate to those securities not included in the FT Share Information Services.

Unless otherwise indicated, denominations are 25p and prices are in pence. The prices are those at which the business was done in the 24 hours up to 3.30 pm on Thursday and settled through the Stock Exchange Talisman system; they are not in order of execution but in ascending order which denotes the day's highest and lowest dealing prices.

For those securities in which no business was recorded in Thursday's Official List the latest recorded business in the four previous days is given with the relevant date.

‡ Bargains at special prices. § Bargains done the previous day. △ Bargains done with non-member or executed in overseas markets.

Tefot Hldgs Wts 25. 9pcPf (£1) 104 (18 3)
Thomson T-Line 1422 120 30 40
Thorn EMI 5½pcLn 2004-09 £51 (19 3)

L—M

C—D

N—O—P

Q—R—S

T—U—V

W—Y—Z

FINANCIAL TRUSTS

INSURANCE

INVESTMENT TRUSTS

UNIT TRUSTS

MINES—MISCELLANEOUS

MINES—SOUTH AFRICAN

OIL

PROPERTY

PLANTATIONS

RAILWAYS

SHIPPING

UTILITIES

WATER WORKS

UNLISTED SECURITIES MARKET

Perkins (John) Meats (10p) 29
West Yorkshire Independent Hospital (50p) 77

SPECIAL LIST

RULE 535 (3)

Dealings for approved companies engaged solely in mineral exploration

North West Oil & Gas (2½p) 4 (17/3)
(By permission of The Stock Exchange Council)

RULE 535 (2)

Applications granted for specific bargains in securities not listed on any exchange

Airship Inds (12½p) 52½ 3 4 5 (20 3)
All England Lawn Tennis Gnd £50Deb 1990-95 (fully pd) £15 150 300 (14/3)
Central TV (50p) 235 45 (19 3)
Ciba-Geigy 8½pcLn £415pc (20 3)
Dart Valley Light Rlwy (£1) 135 40 (19 3)
Dolamore (10p) 21 (20 3)
Douglas Gas Light (1p) 135 (14 3)
Europlan (10p) 21 (19 3)
Exchem (50p) 60 5 (19 3)
Fire Arrows (£1) 345 50 (14/3)
Flightspares (10p) 744 6 (19 3)
Frederick's Place (£1) 140 158 (20/3)
Guernsey Gas Light (£1) 253 (20 3)
Hard Rock Cafe (2p) 64 6 (20 3)
Hartley Baird (5p) 10 11 (17 3)
Harvard Secs (2p) 32½ 3 (20 5)
ICC (1p) 850 (20 3)
Jennings Bros 195 5 (20 3)
Jersey Gas 5pcAPf 40 (14/3)
Jersey New Waterworks 200 (14 3)
Kunick Leisure (10p) 39 40 (19 5)
Seymours 4pcPf 50 (14 5)
Shepherd Neame (£1) 620 5 (17/5)
Sinclair Research 53 0 (20 5)
Sonic Tape (0.0025p) 2 (20 3)
Silk Quay Invs (£1) 130 (19 3)
Southern Newspapers (£1) 270 3 (20 3)
Star Offshore Services (5p) 22 (20 5)
Stead and Simpson 4½pcPerpMtgDb 1009 £33pc 7pc (16 3)
TSL Thermal Syndicate 5.6pcPf 15½ 6 (20 3)
Tadgate Invs (10p) 5½ 6 (20 3)
Tyne Tees TV (£1) 185 (18 3)
Utd Trust & Credit (£1) 410 11 (20 5)
Weetabix A (Non-Vtg) 155 (20/3)
Winchmore 44 5 (17 3)
Wisech (1p) 17 (14/3)

RULE 535 (4) (a)

Bargains marked in securities where principal market is outside the UK and Republic of Ireland. Quotation has not been granted in London and dealings are not recorded in the Official List

ACI Intl A$3.55 (19 3)
Acorn Securities 15 (14 3)
Admiral Mines 2½ (19/3)
Advanced Micro Devices £21.06 (19 3)
Aetna Life & Casualty £43¼ (14 3)
Air Products & Chemicals £55 30 (19/3)
Allied Technologies £13 (17/3)
Allstate Explorations 8 (18/3)
American Can £54¼ (14/3)
American Home Products £40½
Ames Department Stores £40½ (19/3)
Amoco Corp £39½ (14/3)
Ampal 108 (19 3)
Amsterdam-Rotterdam Bank Fl 105.8
Anheuser-Busch US$48⅞ (18 5)
Apple Computer £16.80 (14/3)
Ashton Mining 73 4 (19 3)
Atlantic Richfield £35.80 (18 3)
Aust Foundation Inv 104 (19/3)

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)
Allied Dunbar Unit Trusts PLC (a)(g)
Anthony Wieler Unit Tst. Mgmt. Ltd
Arbuthnot Securities Ltd (a)(c)
Archway Unit Tst. Mgs. Ltd (a)(c)
Arkwright Management
Atlanta Unit Managers Ltd
Baillie Gifford & Co Ltd
Baltic Trust Managers Ltd
Barclays Unicorn Ltd (a)(c)(g)
Barings Fund Managers Ltd
Barrington Mgmt Co Ltd (a)
Bishopsgate Progressive Mgmt. Co
Brewin Dolphin Unit Tst Mngrs Ltd
Bridge Fund Managers Ltd
Britannia Unit Trust Managers Ltd (a)(c)(g)
Brown Shipley & Co Ltd (a)(g)
Buckmaster Management Co Ltd (a)(c)
CS Fund Managers Limited
Canada Life Unit Trust Mngrs. Ltd
Cannon Fund Managers Ltd
Capel (James) Mngt. Ltd
Cater Allen Unit Tst Managers
Cent. Bd. of Fin. of Church of England
Charities Official Invest. Fund
Clerical Medical Unit Trust Managers Ltd
Confederation Funds Mngt Ltd (a)
County Bank UT Ltd
Crown Unit Trust Services Ltd
Darlington Unit Trust Mngt. Ltd
Discretionary Unit Fund Managers
Drummond Fund Managers Ltd
Dunedin Unit Tst Managers Ltd
EBC Amro Unit Trust Managers Ltd
EFM Unit Trust Managers Ltd
Eagle Star Unit Mngrs Ltd
The English Trust Group PLC
Enterprise Fund Managers Ltd
Equitable Units Administration Ltd
Equity & Law Un. Tr. M. (a)(c)
F & C Unit Management
FS Investment Managers Ltd
Fidelity International Management Ltd
Robert Fleming & Co Ltd
Framlington Group (a)
Robert Fraser Trust Mgt. Ltd
Friends Prov. Trust Managers (a)(b)(c)
Funds in Court
G. & A. Trust (a)(g)
GT Unit Managers Ltd
Gartmore Fund Managers (a)(g)
Gartmore Fund Managers—Continued
Global Asset Management
Govett (John) Unit Mngt. Ltd
Greenfriar Unit Tst Mngmt Ltd
Gresham Unit Trust Managers
Grieveson Management Ltd
Guardian Royal Ex. Unit Mgrs. Ltd
Guild Management Limited
Guinness Mahon Unit Trust Managers Ltd
Hambro General Fund Managers Ltd (g)
Hambros Bank Unit Trust Managers Ltd (g)
Henderson Administration (a) (b) (c)
Heritable Unit Trust Managers Ltd
Hexagon Services Ltd
Hill Samuel Unit Tst. Mgrs.† (a)
Key Fund Managers Ltd (a)(g)
Kleinwort Benson Unit Managers
L & C Unit Trust Management Ltd
LAS Unit Trust Managers Ltd
Laurentian Unit Trust Mngt. Ltd
Lawson Fund Managers Ltd (a) (c) (g)
Lazard Brothers & Co Ltd
Legal & General (Unit Tst. Mngrs.) Ltd
Leonine Administration Ltd
Lloyds Bk. Unit Tst. Mngrs. Ltd (a)
Lloyd's Life Unit Tst. Mngrs. Ltd
Local Authorities' Mutual Invest. Tst.*
London & Manchester (Tst Mgmt) Ltd
London Wall Unit Trust Mgrs Ltd
M & G Group (y)(c)(z)
MGM Unit Trust Managers Ltd
MLA Unit Trust Management
MIM Unit Tst Mgrs Ltd
Manulife Management Ltd
Mayflower Management Co Ltd
Mercury Fund Managers Ltd
Mencap Unit Trust Management Ltd (a)(c)(g)
Midland Bank Group UT Mngrs. Ltd
Minster Fund Managers Ltd
Murray Johnstone UT Mgmt. (a)
NFU Mutual Unit Managers Ltd
National Provident Inv Mgrs Ltd
Norwich Union Insurance Group (b)
Octavian Unit Trust Mgrs Ltd
Oppenheimer Fund Mngt Ltd
Orion Royal Bk Tst. Mngrs. Ltd

CONTINUED OVERLEAF

AUTHORISED UNIT TRUSTS & INSURANCES

Allied Dunbar Assurance Plc
Allied Dunbar Ctr, Swindon SN1 1EL 0793 28291

Fixed Int. Dep. Acc.	214.8	[illegible]	....	—
EquityAcc.	624.6	[illegible]	....	—
PropertyAcc.	310.5	[illegible]	....	—
Far East Acc.	119.9	[illegible]	....	—
Managed Cap.	307.2	[illegible]	....	—
Managed Acc.	495.8	[illegible]	....	—
O'seas Earnings Acc.	417.5	[illegible]	....	—
Gilt EdgedAcc.	264.2	[illegible]	....	—
American Equity Acc.	353.4	[illegible]	....	—
American Man. Acc.	168.4	177.[illegible]	....	—
American Prop Acc.	123.3	[illegible]	....	—
Pen.F.I.Dep.Cap.	236.7	[illegible]	....	—
Pen.F I.Dep.Acc.	362.1	[illegible]	....	—
Pen. Prop. Cap.	379.0	[illegible]	....	—
Pen. Prop. Acc.	640.5	674.[illegible]	....	—
Pen. Man. Cap.	634.6	666.[illegible]	....	—
Pen. Man. Acc.	1071.2	1127.6	....	—
Pen.GiltEdg.Cap.	270.4	284.7	....	—
Pen. Gilt Edg. Acc.	373.1	392.8	....	—
Pen. Eq. Cap.	1040.6	1095.4	....	—
Pen. Eq. Acc.	1331.3	1401.4	....	—
Pen. Am. Eq Cap.	140.6	148.1	....	—
Pen. Am. Eq Acc.	151.8	159.8	....	—
Pen. Far East Cap.	140.5	147.7	....	—
Pen. Far East Acc.	151.3	159.3	....	—
Pen. B.S. Cap.	249.7	262.2	....	—
Pen. B.S. Acc.	371.7	390.3	....	—
Pen. D.A.F. Cap.	200.0	200.0	....	—
Pen. D.A.F. Acc.	265.2	265.2	....	—
Pen. Mortgage Cap	112.2	118.2	....	—
Pen. Mortgage Acc	121.2	127.6	....	—

Ambassador Life Ass. Co Ltd
80 Holdenhurst Rd, Bournemouth 0202 292345

Equity Fd Acc	123.6	130.2	+0.4	—
Equity Fd Cap	114.0	120.0	+0.4	—

Baltic Assurance Funds
11 New Street, London EC2M 4TP 01-493 9899

Managed Growth	244.74	257.62	+1.23	—
Managed Income	122.11	128.54	+3.64	—

Barclays Life Assur. Co Ltd
252 Romford Road, London E7 01-534 5544

Barclaybond	345.5	[illegible]	+1.3	—
Equity Accum.	425.3	447.7	+3.3	—

Continental Life Insurance PLC
64/70 High St, Croydon CR0 9XN 01-680 5225

Equity Acc	303.4	319.4	+8.0	—
Property Acc	280.3	295.1	+8.5	—
Int Acc	197.4	207.8	+6.7	—
Managed Acc	254.7	268.2	+7.0	—
Spec Sits Acc	227.7	239.7	+7.7	—
Investment Tst Acc	123.2	129.7	+4.8	—
Pen Int Acc	220.6	232.3	+11.5	—
Pen Prop Acc	365.4	385.2	+15.9	—
Pens Equity Acc	471.2	496.0	+18.7	—
Pen Mngd Acc	286.2	301.3	+10.9	—
Pens F & C Man Acc	129.6	136.5	+2.9	—
Pens Inv Trust Acc	144.8	152.5	+5.5	—

Prices for other funds available on request.

Cornhill Insurance PLC
57 Ladymead, Guildford 0483 68161

Equity Fd (A&B) Mar 19	239.0	252.9	+10.4	—
Fixed Int (A&B) Mar 19	169.0	178.0	+3.5	—
Man Growth (A&B) Mar 19	497.0	523.5	+12.5	—
Money Fd (A&B) Mar 19	136.5	144.0	+0.5	—
Cap Fd(A&B) Mar 15		358.0	....	—
G.&S. Spec.Fd(A&B)Mar 15		149.0	....	—
FarEastEqty(A&B)Mar 19	136.0	143.5	+4.5	—
N.Amer.Eqty(A&B)Mar 19	123.3	130.0	....	—
IntTechnlgy(A&B)Mar 19	107.5	113.5	−1.0	—
Property (A&B) Mar 19	149.5	157.5	+7.5	—

Credit & Commerce Life Ass. Ltd
74 Shepherds Bush Green, W12 8SD 01-740 7070

Life Funds

UK Equity	145.5	153.5	+2.4	—
American Equity	115.6	121.9	....	—
Far East Equity	120.9	127.5	....	—
Managed Fund Acc	353.0	372.0	....	—
International Equity	166.6	175.7	....	—
Gilt Edged	195.5	206.2	....	—
Money Fund	139.5	147.1	....	—
CCL Henderson	142.5	150.3	....	—
CCL Perpetual	189.1	199.5	....	—
CCL Property	201.1	212.1	....	—
Smaller Cos.	235.0	247.9	....	—
Perpetual Eurogrowth	108.8	114.7	....	—

Pension Funds

UK Equity	159.4	168.1	+2.9	—
American Equity	122.6	129.3	....	—
Far East Equity	130.5	137.6	....	—
Managed Fund Acc.	398.7	420.4	....	—
International Equity	182.4	192.4	....	—

INSURANCES

INSURANCE, OVERSEAS & MONEY FUNDS

OFFSHORE AND OVERSEAS

Money Market Trust Funds

Money Market Bank Accounts

J. Henry Schroder Wagg & Co Ltd
Enterprise House, Portsmouth 0705 827733

Western Trust & Savings Limited
The Moneycentre, Plymouth PL 15E 0752 24141

NOTES—Gross: rate to those exempt from composite rate of tax. Net: actual rate after deduction of CRT. Gr Equiv CAR: Gross equivalent to basic rate taxpayers—compounded annual rate. Int Cr: frequency interest credited.

NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ¶ Guernsey gross. # Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies. ♦ Yield column shows annualised rates of NAV increase. xd ex dividend.

TRADITIONAL OPTIONS

3-month call rates

Industrials	p		
Allied-Lyons	28	Marks & Spencer	13
BAT	25	Midland Bk.	35
BOC Grp.	27	NEI	18
BSR	8	Nat West Bk.	55
BTR	35	P & O Dfd	35
Babcock	13	Plessey	14
Barclays	33	Polly Peck	21
Beecham	30	Racal Elect.	15
Blue Circle	50	RHM	12
Boots	24	Rank Org Ord	35
Bowaters	30	Reed Intnl	60
Brit Aerospace	32	Sears	11
Brit. Telecom	17	TI	35
Brown (J.)	3½	Tesco	26
Burton Ord	45	Thorn EMI	34
Cadburys	13	Trust Houses	12
Charter Cons.	18	Turner Newall	9½
Comm Union	23	Unilever	90
Courtaulds	13	Vickers	35
Distillers	36	Wellcome	39
FNFC	22	**Property**	
Gen Accident	55	Brit Land	14
Gen Electric	14	Land Secs.	26
Glaxo	100	MEPC	26
Grand Met	30	Peachey	24
GUS 'A'	70	Samuel Props	15
Guardian	60	**Oils**	
GKN	28	Brist. Oil & Min.	3½
Hanson Tst.	18	Brit Petroleum	45
Hawker Sidd.	36	Burmah Oil	27
ICI	42	Charterhall	4
'Imps'	16	Premier	5
Jaguar	27	Shell	55
Ladbroke	27	Tricentrol	18
Legal & Gen	60	Ultramar	18
Lex Service	24	**Mines**	
Lloyds Bank	35	Cons Gold	46
Lucas Inds	38	Lonrho	12
		Rio T Zinc	50

A selection of Options traded is given on the London Stock Exchange Report Page.

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LONDON SHARE SERVICE

BRITISH FUNDS

1985/86 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
[illegible]	[illegible]	Treas. 10pcCnv 1986	99½xd	......	—	—
[illegible]	[illegible]	Treas 3pc 1986	93¾	+1/32	[illegible]	11.31
100	[illegible]	Exch. 10½pc 1986	[illegible]	......	[illegible]	11.50
[illegible]	[illegible]	Treas 12pc 1986	100	......	12.00	10.62
[illegible]	94	Treas 8¾pc 1984-86‡‡	[illegible]	......	[illegible]	10.62
105	[illegible]	Exch. 14pc 1986	102	−1/16	[illegible]	10.39
[illegible]	[illegible]	Exch. 2½pc 1986	96	......	[illegible]	8.50
[illegible]	[illegible]	Exch. 13¼pc 1987	102½	+1/16	12.[illegible]	9.97
100	[illegible]	Treas 10¼pcCv '87	100	+1/16	10.[illegible]	9.98
[illegible]	[illegible]	[illegible] 2½pc 1987	94	+⅛	[illegible]	8.30
[illegible]	[illegible]	Exch. 10½pc 1987	100½xd	......	[illegible]	10.00
[illegible]	89	Funding 6½pc '85-87‡‡	96	+1/16	[illegible]	9.61
100	95½	Treas. 10pc 1987	100	+1/16	10.00	9.96
[illegible]	84¼	Treas 3pc 1987	93¾	+¼	3.20	8.13
[illegible]	99⅝	Treas. 12pc 1987	102	+1/16	11.69	10.12
[illegible]	90¼	Treas 7¾pc 1985-88‡‡	97⅛	+⅛	7.98	9.46
[illegible]	95⅝	Exch 10½pc '88	101¼	......	10.38	9.90
[illegible]	93⅛	Treas 9¾pc Cv '88	99⅞	......	9.76	9.79
[illegible]	80	Transport 3pc '78-88	90	+1/16	3.33	7.86
[illegible]	91½	Treas. 9½pc '88	99xd	+1/16	9.57	9.82
[illegible]	97½	Treas 11½pc 1989	104⅝	−⅛	11.01	9.73
[illegible]	90¾	Treas 9½pc Cnv. '89	100¾xd	+1/16	9.43	9.23
[illegible]	79	Treas 3pc 1989	86¼	+¼	3.46	7.84
[illegible]	94	Treas 10½pc 1989	101	......	10.31	9.81
100	92	Exch 10pc 1989	103	......	[illegible]	9.84
[illegible]	95	Exch 11pc 1989	105xd	+1/16	[illegible]	9.79
[illegible]	79	Treas 5pc 1986-89	87	+1/16	[illegible]	8.51
[illegible]	95	Exch 10¼pcCv '89	106⅞	+½	[illegible]	8.02
110	103¼	Treas 13pc 1990‡‡	110¾	−1/16	[illegible]	9.55
[illegible]	96	Exch 11pc 1990‡‡	104	......	[illegible]	9.56
[illegible]	100⅝	Exch. 12½pc 1990	109½xd	−1/16	[illegible]	9.58
[illegible]	75¾	Treas. 3pc 1990	83	+½	[illegible]	7.92

Five to Fifteen Years

Over Fifteen Years

Undated

Index-Linked

INT. BANK AND O'SEAS GOVT STERLING ISSUES

CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS

Building Societies

Public Board and Ind.

Financial

FOREIGN BONDS & RAILS

AMERICANS

AMERICANS—Cont.

CANADIANS

BANKS, HP & LEASING

Hire Purchase, Leasing, etc.

BEERS, WINES & SPIRITS

BUILDING, TIMBER, ROADS

BUILDING, TIMBER, ROADS—Cont.

CHEMICALS, PLASTICS

DRAPERY AND STORES

DRAPERY & STORES—Cont.

ELECTRICALS

ENGINEERING

ENGINEERING—Continued

FOOD, GROCERIES, ETC

HOTELS AND CATERERS

INDUSTRIALS (Miscel.)

INDUSTRIALS—Continued

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INDUSTRIALS—Continued

[illegible]

INSURANCES

[illegible]

LEISURE

[illegible]

LEISURE—Continued

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING, ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

INVESTMENT TRUSTS—Cont.

[illegible]

Finance, Land, etc

[illegible]

FINANCE, LAND—Cont.

[illegible]

OIL AND GAS

[illegible]

OVERSEAS TRADERS

[illegible]

PLANTATIONS

Rubbers, Palm Oil

[illegible]

Teas

[illegible]

MINES

Central Rand

[illegible]

Eastern Rand

[illegible]

Far West Rand

[illegible]

MINES—Continued

O.F.S.

[illegible]

Diamond and Platinum

[illegible]

Central African

[illegible]

Finance

[illegible]

Australians

[illegible]

Tins

High	Low	Stock	Price	+ or −	Div Net	Cvr	Yld Gr's
[illegible]							
38	17	♥Pahang	17#	......	8—	—	—
650	150	Pengkalen 10p	200	......	—	—	—
275	100	Petaling SM1	100	......	v060c	0.2	36.6
275	95	Sungei Besi SM1	105	......	‡vQ43c	—	‡
385	105	Tanjong 15p	105	......	—	—	—
250	60	♥Tongkah H. Tin SM1	80	......	vQ29c	1.2	8.5
305	95	Tronoh SM1	105	−5	‡vQ64c	1.1	16.9

Miscellaneous

High	Low	Stock	Price	+ or −	Div Net	Cvr	Yld Gr's
55	30	Anglo-Dominion	30	......	—	—	—
42	31	Anglo Utd Dev	31	......	c1.05	♦	4.8
120	48	♥Colby Res Corp	50	......	—	—	—
550	175	Cons. Murch. 10c	280	−6	‡Q80½c	3.9	‡
40	24	‡Emmex Int. Ir10p	34	......	—	—	—
123	70	Greenwich Res	95	......	—	—	—
215	115	‡Hampton Areas 10p	120	......	3.75	0.9	4.2
260	135	♥Highwood Res	232	......	—	—	—
£22⅞	£15¼	Homestake Mining $1	£26¾	......	Q20c	—	0.8
110	155	♥McFinley Red Lake	220	+15	—	—	—
336	195	♥Musto Explorations	245	−10	—	—	—
55	25	♥New Sabina Res C$1	45	......	—	—	—
375	195	Northgate C$1	225	......	—	—	—
760	507	RTZ	755	+33	†20.0	2.8	3.8
£156	£114½	Do. 9½pcLn '95-2000	£156	+2	Q9½%	14.0	f6.2
980	800	♥Tara Explo $1	912	......	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap Stock".
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- ♥ Not officially UK listed; dealings permitted under Rule 535(4)(a).
- ‡ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- ‖ Dealt in under Rule 535(3).
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- 1 Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ‖ No par value.

B.Fr. Belgian Francs. Fr. French Francs. ‡‡ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Annualised dividend. b Figures based on prospectus or other offer estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast, or estimated annualised dividend rate, cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1984-85. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1986. K Figures based on prospectus or official estimates for 1984. L Estimated annualised dividend, cover and p/e based on latest annual earnings. M Dividend and yield based on prospectus or other official estimates for 1985-86. N Dividend and yield based on prospectus or other official estimates for 1985. P Figures based on prospectus or other official estimates for 1983. Q Gross. R Forecast annualised dividend, cover and p/e based on prospectus or other official estimates. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

REGIONAL & IRISH STOCKS

The following is a selection of Regional and Irish stocks, the latter being quoted in Irish currency.

Albany Inv 20p	105	......	Fin. 13% 97/02	£120	+½
Craig & Rose £1	£13½	......	Arnotts	335	+5
Finlay Pkg. 5p	47	......	CPI Hldgs	60	+3
Holt (Jos) 25p	770	−20	Carroll Inds.	174	......
IoM Stm. £1	75	......	Dublin Gas	60	......
			Hall (R. & H.)	72	......
IRISH			Heiton Hldgs.	30	......
Fund 11¼% 1988	£100	......	Irish Ropes	60	......
Nat. 9¾% 84/89	£98¾	......	Unidare	160xd	......

"Recent Issues" and "Rights" Page 16

FINANCIAL TIMES

Saturday March 22 1986

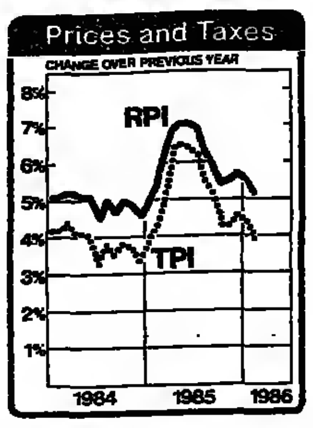
UK inflation rate drops to 5.1%

BY GEORGE GRAHAM

BRITAIN'5 rate of inflation fell last month to 5.1 per cent a year, from 5.5 per cent in January. Further fslls are expected in the next few montbs as a result of lower petrol pricea and cuts in mortgage rates.

More expensive cauliflowers and tomatoes and an extra 1p on a pint of milk contrihuted to an overall increase in the Retail Price Index of 0.4 per cent last month from January's level. This compares with a rise in prices of 0.8 per cent in February 1985, the Employment Department said yesterday.

While four-star petrol fell by 5p to an average £1.85 a gallon, this was not enough to offset higher food prices. Petrol prices have now fsllen hy nearly 18p since last May, and a further 6p drop is expected for the March Retail Price Index.



"With current movements in prices less than they were a yesr ago, we are wall on our way to meeting the Chsncellnr's forecast of 3½ per cent by the end of the year," Lord Young, the Employment Secretery, said.

In his Budget statement on Tuesday, the Cbancellor of the Excbequer said the annual rate of inflation for food prices was expected to remain at 3 per cent in 1986, but a 7½ per cent rate of increase was expected for housing costs.

The direct effect of the bigher excise duties on cigarettes announced in the Budget are expected to add 0.58 points to the retail price index in April, but this is fractionally lower than the effect of last year's Budget increases in excise duties and will not increase the annual rate of inflation.

Lower mortgage rates will knock an estimated 0.3 points off the price index next month, but this will be more than offset over the year by the expected 14 per cent increase in domestic rate bills. Local authority rents are also expected to rise.

In spite of tha drop to 5.1 per cent in February, the UK's annual inflation rate still staods above the European Community'a average of 4.7 per cent. Tbe rate is lower thsn Greece's (25 per cent) and Italy's (8.8 per cent), but bigher than Frsnce's (4.2 per cent), the U5's (3.9 per cent) and West Germany's (1.3 per cent).

The Retail Price Index for February stood at 381.1, compared with 379.7 in January and 362.7 in February 1985 (January 1974=100). The Tax and Price Index (January 1978 =100) stood at 193.7 in February, compared with 192.9 in January and 186.4 in February a year earlier, an annual rate of increase of 3.9 per cent.

GM talks on Leyland 'could still break down'

By Peter Riddell and Kenneth Gooding

TALKS between the Government and General Motors of the US ebout Leyland Trucks and Land Rover could still break down. An agreement satisfactory to both sides is not a foregone conclusion, a senior minister claimed yesterday.

As the Government sought to maintain pressure on GM in the negotiations, now nearing completion, about BL's commercial vehicle division, the senior minister, wbo Is on the special Cabinet committee concerued with state-owned BL, losisted that no Easter deadlioe had been set for the proposed deal.

At the same time Mr Paul Channon, the Trade and Industry Secretary, who Is also on the committee, gave categoric assurances to members of the consortium which hopes to organise a management buy-out of Land Rover that no deal bad been done with any organisation.

He said a promised statement to the Commons next week might be a holding one ahead of a definitive announcement after the Eester recess.

Tbe Government's tactics yesterday appeared to be aimed both at maintaining a tough bargaining position in final talks with GM and reassuring backbench critics that ministers were negotiating vigorously to protect British interests. This is partly in the bope of limiting any backbench rebellion.

Nevertheless, all the signs are thet the Government is prepared to do a deal with GM.

Mr Norman Tebbit, Conservative Party cbairman, prepared the way last night in an interview with Cbannel 4's Week in Politics programme when he referred to some of the advantages of compromise. He also suggested the possibility of an Anglo-American solution and warned against mindless reaction to a foreign takeover.

The meating between the Land Rover buy-out consortium and Mr Channon was "constructive and positive," according to Mr Jon Moulton of Schroder Ventures, whicb bas organised the consortium

Other consortium members include tbe Coal Board Pension Fund, Electra Candover, and Investors in Industry.

During the hslf-hour meeting Mr Channon repeated previous essurances thet all the potential bidders for Land Rover would be given equal consideration.

Heseltine renews attack, Page 6

Management buyout agreed for Cadbury food and beverages

BY LIONEL BARBER

CADBURY SCHWEPPES, the confectionery snd soft drinks group, lest night announced the sale of its food and beverages interests in e management buyout worth about £97m.

Tbe mansgement team, wbich plans an eventual stock merket flotstion for the business, wes forced to raise its original offer of £82.5m after Allied-Lyons, the food and drinks group, countered with a bid worth just over £100m. Market analysts said that Ranks Hovis McDougall, the food manufacturer, had also entered the running with an offer of around £95m.

Cadbury justified the slightly lower offer by the management team by saying it wished to protect its brand names in the food and beverages division. These include cocoa, on which the Cadbury busioess was founded 155 years ago, Smash instant potato, Marvel, the powdered milk substitute, Typhoo tea, and Chivers Hartley jams.

In a move aimed at retaining links with the business, Cadbury bas an option to take a 10 per cent stake wben it goes public. The target date for flotation is 1990.

The division was put up for sale last January. A management buyout was always Cadbury's preferred solution, but the sale rapidly developed into an auction with several major food companies expressing an interest.

One potential obstacle to the Allied-Lyons bid centred on possible objectioos from the Office of Fair Trading. Allied, wbich faces a £1.8bn bostile bid from Elders IXL, the Australian brewing and agricultural group, has strong food interests including Lyons tea and coffee.

Market analysts said that Allied might bave had to sell off some of the coffee interests to prevent a refereoce to the Monopolies Commission. Cadbury, which wanted a swift sale, stressed that it wanted to protect more than 5,000 jobs in the food and beverages division.

For the year ending last December, the division made £13.7m trading profit—almost the same as the prevous year—on £377.5m sales. Cadbury said it was selling the division to focus on its core business in confectionery and soft drinks.

Last month, the group announced a 25 per ceot drop in pre-tax profits to £93.3m, largely due to a £42.5m fall in profits in the group's North American operations, which made a £5.6m loss.

Analysts said the group bad obtained a good price for the food and beverages interests wbich would improve the group's gearing and recoup losses from North America.

On the stock msrket Cadbury sbares closed at 187p, up 1p.

Alan Bond wins Thorn EMI Screen Entertainment group

BY RAYMOND SNODDY

MR ALAN BOND, the Australisn businessman, is to take over Thoro EMI's Screen Entertainment division after the failure yesterday of a £110m management buyout.

Mr Bond, who backed the successful Australisn challeoge for the Americss Cup in 1983, will pay the full £110m for Screen Entertainment in cash and make availeble $100m (£66m) in operating capital for bis acquisitioo.

The desl will become final three days after Office of Fair Trading clearance is obtained.

The Bond Corporation, of which Mr Bond is chairman, will take control of the largest slice of the British film and cinema industry through the deal. Screen Entertainment has 105 cinemas with 300 screens, Elstree Studios, a library of more than 2,000 films, and film financing, production and distribution operations.

Mr Bond, who is also chairman of Airship Industries, saved the msnsgement buyout team in December with e £10m investment. This was put down as a non-returnable deposit when it looked as if either the Rank Organisation or the Cannon Group together with Heron International would emerge victorious.

Although the management team, led by Mr Gary Dartnall, the chief executive, raised the £110m purchase price by the February 28 deadline, they were unable to raise the operating capital.

Thorn EMI granted a three-week extension which was underwritten by Mr Bond. The final deadline for the management team rsn ont yesterday and the Bond Corporation decided to exercise an option to purchase.

Mr Dertnall said last night he was disappointed over being unable to complete the buyout. But be added: "I welcome the continuing support of the Bond Corporation."

Mr Dartnall is to remain cbief executive of Screen Entertsinment. He said he believed Mr Bond intended to run the company es the management boyout team bsd planned.

Mr Alan Bircbmore, an executive director of the Bond Corporation, confirmed last night that Mr Dartnall would remain chief executive, but said it was too early to make categorical statements about the company's future shape.

"We intend to sit down with clear minds and work out wbst we intend to do," Mr Birchmore said.

There has been widespread speculation in tbe Britisb film industry thst Mr Bond might sell part of Screen Entertainment if he acquired the company.

Mr Bond, who was horn in London, bas television interests in Australia. He has said he believes in the future of the British film industry and wants to be part of it.

He said yesterday: "Bond Corporation is looking forward to completing its acquisition of Thorn EMI Screen Entertainment as soon as OFT clearance is obtained. We know tbat Gary Dartnall and bis management team will maintain Thorn EMI 5creen Entertainment's leadersbip position in the British film industry.

"Bond Corporation is extremely pleased to have the opportunity to become a participant in the industry through its investment."

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence nnless otherwise indicated).

RISES		
Conv. 9% 2000 'A'	£29¼	+ 1
Conv. 9¼% 2005 'A'	£29¼	+ 1
Allied Textile	565	+ 45
Antofagasta	510	+ 60
Bass	825	+ 23
Bramall (C. D.)	298	+ 33
Cooroy Pet.	43	+ 13
Cons. Gold Fields	537	+ 15
Cowie (T.)	174	+ 8
Dee Corp.	295	+ 12
Distillers	677	+ 37
Fosero Minsep	298	+ 24
Foster (J.)	96	+ 12
Lowe Howard-Spink	388	+ 38
Pearson	497	+ 16
RTZ	755	+ 33
Rowntree Mack.	525	+ 50
Suter	286	+ 13
Trinity Intl.	320	+ 35
Wellcome	217	+ 7
Wickes	175	+ 16
FALLS		
Barratt Devs.	140	− 14
Boots	272	− 8
Delta Group	239	− 11
Gratten	428	− 14
NatWest Bank	910	− 25
Poseidoo	141	− 10
STC	122	− 6
Tricentrol	91	− 9
Trusthouse Forte	202	− 6

WORLDWIDE WEATHER

UK today: Cloudy with rain generally. SE mainly dry later. Outlook: Rain with sunny intervals. Windy.

		Y'day midday °C	°F			Y'day midday °C	°F			Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	C	12	54	Corfu	F	14	57	Luxmbg.	F	5	41	Peking	S	12	54
Algiers	F	15	59	Dallas	C	3	36	Madeira	C	17	63	Perth	C	21	70
Amsdm.	C	5	41	Dublin	F	10	50	Madrid	S	13	55	Prague	C	5	41
Athens	F	13	55	Dbrvnk.	S	13	55	Majorca	C	12	54	Rykjvk.	R	2	36
Bahrain	S	23	73	Ednbgh.	C	9	48	Malaga	S	19	66	Rhodes	C	15	59
Barclna.	C	14	57	Faro	S	17	63	Malta	F	17	63	Rio J'o†		—	—
Beirut		—	—	Florence	R	9	48	M'chestr	F	9	48	Rome	T	9	48
Belfast	F	8	46	Frankft.	F	7	45	Melbne.		—	—	Salzbrg.	R	3	37
Belgrd.	F	11	52	Geneva	C	7	45	Mx. C.†		—	—	S'ciscot	F	11	52
Berlin	R	4	39	Gibrltr.	S	17	63	Miami†	R	19	66	Singapr.		—	—
Biarritz	F	12	54	Gl'sg'w	F	10	50	Milan	R	4	39	S'tiago		—	—
Bmghm.	C	9	48	G'nsey	F	9	48	Montrl.†	F	−16	3	Stckhm.	S	4	39
Blackpl.	F	8	46	Helsinki	S	3	37	Moscow	S	8	46	Strasbg.	R	7	45
Bombay		—	—	H. Kong	C	21	70	Munich	Sl	3	37	Sydney		—	—
Bordx.	F	11	52	Innsbrk	C	7	45	Nairobi	F	22	72	Tangier	S	19	66
Boulgn.	S	6	43	Invrnss.	F	8	46	Naples	S	8	46	Tel Aviv	S	20	68
Bristol	F	9	48	I. o. Man	S	9	48	Nassau		—	—	Tenerife	S	20	68
Brussels	F	7	45	Istanbul	S	9	48	Nwcstl	F	9	48	Tokyo		—	—
Budpst.	Sl	2	36	Jersey	S	9	48	N Delhi	F	22	72	T'r'nto†	C	−12	10
Cairo	S	23	73	Jo'burg	F	26	79	N Yrk†	F	−8	18	Tunis	F	14	57
Cardiff	F	9	48	L. Plms.	F	20	66	Nice	C	8	46	Valencia	S	18	64
Casa T.	S	25	77	Lisbon	S	17	63	Nicosia	F	17	63	Venice	F	10	50
Chicg.†	F	−10	14	Locarno	C	9	48	Oporto	S	16	61	Vienna	C	4	39
Cologne	R	7	45	London	C	11	52	Oslo	C	3	37	Warsaw	S	8	46
Cpnhgn.	F	7	45	L. Ang.†	F	15	59	Paris	F	9	48	Zurich	F	6	43

C—Cloudy. F—Fair. R—Rain. S—Sunny. Sl—Sleet. T—Thunder. † Noon GMT temperatures.

CEGB warned against big increase in oil burning

BY MAURICE SAMUELSON

THE Government bas stepped in to prevent a significant increase in the amount of oil being burned in power stations because it fears this would jeopardise the coal industry's recovery from its year-long strike.

News of the move emerged as the Central Electricity Generating Board announced that from next month, it would add 5.2 per cent to its bulk supply tariff — the price at which it sells electricity to the 12 area boards io England and Wales. The increase is likely to mean rises of about 5 per cent in retail electricity prices.

The CEGB has beeo using the threat of greater oil consumption as e lever in negotiations with the National Coal Board for cheaper coal to reflect lower oil prices.

The NCB has already cut some coal prices but the discounts only last until the end of this month. The CEGB has indicated thet it will feel free to review its position from April 1.

Mr Peter Walker, the Energy Secretery, is uoderstood to have told Lord Marshall, the CEGB, cbairman, that with the coal industry trying to recover from the strike, a significant increase in oil-fired generation of electricity is out of the question.

Yesterday, the CEGB iodeotified bigber coal prices as one of two main factors in its tariff increase.

It seid thet about 60 per cent of the rise stemmed from higher fossil fuel prices. The remainder was caused by the need to meet its share of the financial terget for the electricity industry for the three years ending in 1987-88.

Lord Marshall iold the Commons Energy Committee last week that because of lower oil prices, as well es cheaper coel available overseas, the CEGB was giving the NCB "an opportunity to quote lower coal prices to us to that they can retain our market."

He added: "We have no fundamental wish to import lerge quantities of oil or coat, but the NCB should wio our market on merit

The Electricity Consumers Couocil lest night expressed satisfaction that the price rise was likely to be within tbe rate of inflation. It criticised the fact that electricity users had not felt greater benefit from the fall ln oil prices.

Tbe industry's need to meet a financial target, it added, meant that the Government was using it as a "tax gathering vehicle."

Esso rise adds to confusion over pump petrol prices

By Max Wilkinson, Resources Editor

CONFUSION ABOUT what is goiog to happen to petrol prices this weekend wss increased yesterday by an announcement from Esso thst it would pass on to motorists the whole of the 7½p Budget rise in duty. Esso said this would push the maximum price et its pumps from 177.6p to 179.6p for a gallon.

The apparently obscure arithmetic reflects the fact thst few motorists are ectually paying the maximum. Four-stsr prices range from as little as 158p at some pumps.

Petrol rompanies' estimetes yesterday of the average price at the pump put it at about 175p. In his Budget speech on Tuesday Mr Nigel Lawson, Chancellor of the Exchequer, suggested that falling oil prices made it possible for petrol prices to come down another 12p, quite enough to absorb tbe increase he was imposing.

The duty rise was 5½p to compensate for Inflation end 2p to allow for the fect tbat he was not reising the annual csr-licence fee from £100.

Esso's announcement yesterday followed vigorous reaction by other oil compsnies to the idea thet they sbould absorb the 7½p increase. Shell and BP, the other two market leaders, said their prices would rise from tbis weekend.

Both, however, heve been roy about specifying the amount of their increases. Shell said yesterday: "To have absorbed all or any part of the duty would create an unfortunate precedent. Petrol duty is meant to be a tax on the product. As sucb it must be passed on to the consumer. Otherwise it becomes an unacceptable tax on the company."

BP bas taken a similsr line. Both, however, concede that prices paid at the pump by motorists will be dictated by market competition.

The consensus yesterday seemed to be that motorists could expect to pay about 177p a gallon this weekend but that competition would continue to erode prices.

Continued from Page 1

Lawson

employer who takes oo an 18 or 19-year-old at up to £55 a week, or a 20-year-old at up to £65 a week.

Only 9 per cent of respoodents said that the scbeme would do a lot to encourage them to take on more youngsters. Against this 33 per cent said tbat it would do a little and 57 per cent said that it would make hardly any difference.

On employment prospects ln general, the poll found that 55 per cent of directors were expecting a redoclion in their company's payroll in the next few months. Just 44 per cent are expecting an increase. This seems to indicate a contiouing process of restructuring in the economy.

Mr Lawson's proposels to encourage company donations to charities have also met e less than eothusiastic response. Only 5 per cent of executives said that the Chancellor's new provisions would lead them to give much more. Mr Lawson is offering tax relief on one-off gifts up to a maximum of 3 per cent of the company's annual dividend payment to its shareholders.

Another 28 per cent said tbat tbe new provision might stimulate them a little, but 55 per cent seid that there would be virtuelly no change.

The proposed new regime elso allows employers to set up a scheme under which employees can have charitable donations of up to £100 a year deducted from their pay and receive tax relief. Here, 46 per cent of respondents said that they would encourage such schemes; 50 per cent said that they would not.

Overall, the Budget was well received by tbe business community. Respondeots were asked to say on a scale of one to 10 (where one equels "very poor" and 10 equals "excellent") whether it wes good for their company. A total of 85 per cent plumped for a figure between four aod eight. The mean figure was 5.51.

A similar question was esked about whether it was good for the country. This time 87 per cent chose between four and eight. The mean was 5.88.

There has been no significant change in attitudes to full British membership of the European Mooetary System since the FT-Marplan poll last asked a questioo about it in October. Just over 60 per cent think that Britain should join; 22 per cent are egainst and 18 per cent "don't know."

Marplan interviewed a random sample of 755 directors of companies with a turnover of more than £5m. The sample was drawn from the Dun and Bradstreet Market fact file cards.

THE LEX COLUMN

A good idea at the time

The market stampede waa certainly not halted by the Budget. In a msrket where daily rises have become an expectetion end eny fall in recent weeks bas proved both marginal and temporary, the habit of buying equities seems like an addiction. When bank shares rise 10 per cent in a day simply because nothing has changed, and then repeat the performsnce, something odd is happening. Some rises have been so steep on so little volume as to verge on the suspicious. It is obvious tbst jobbers are acutely short of stock end it sometimes seems that their customers know whicb shares tbey ere most short of.

Moreover, the Chancellor has both reaffirmed the assumption of an economy rolling ahead on cheaper oil, and buttressed a gilt-edged market belief in a progressively falling cost of money. The oil price is rather outside the Treasury's control, but at least the calculations wbich lead to higher industrial earnings are ressonably convincing, wbile the oil stays chesp. And the interest rate optimism seems to be bank-rolled by people, not least in Washington, who heve more to gain from a lower dollar than Mr Lawson.

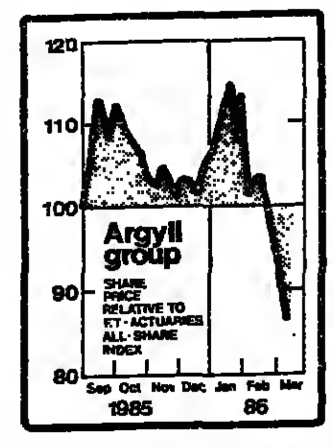
But even if we evoid a Mexican crash and e banking shock there are still costs. Cesuelties in the North Sea oil province are already being reported in despatches to the London equity market. Tricentrol's shares were already yielding an improbable 14½ per cent before its announcement that its 20 per cent stake in the Amethyst field had turned illiquid. Th market as a whole does not seem worried.

Argyll

Like tbe morning sfter the night before, an increased offer from Argyll for Distillers was an inevitable consequence of the OFT's decision not to refer the competing bid from Guinness. Despite libations of midnight oil, however, Argyll's new offer came rather late in the morning, wben an early strike is recommended by all the City textbooks. Underwriting was apparently more difficult than it had been earlier in the campaign.

Since the two bidders betwene them have bought about

Index fell 2.9 to 1412.2



e quarter of DCL's sbsres in the msrket, comparison of the two cash offers is probably a side issue. But it is the only point on wbich Argyll comes out ahead, even now. Guinness sbares bave so far escsped the pain of additional underwriting, and the unimproved Guinness paper offer was still some 3p per share ahead of Argyll last night.

That is galling for Mr Gulliver, for it appears that Guinness has been left with room to win the day by force if it needs to. However futile, Argyll's final throw bas at any rate not added to the enormous costs of the enterprise. Thanks to the fact that in the Argyll underwriting package failure comes cbeaper than normal, the escalation in DCL's share price bas been sufficieot to wipe out the marginal cost of today's gamble.

Personal Equities

However laudable tbe Chaocellor's aim of establishing a share-owning democracy, the Personal Equity Plao is an ill-considered means to that end. The idea of an investor building up a £35,000 portfolio over 10 years through modest monthly savings is superficially attractive and in these markets easy to believe.

The absence of tax relief on the money going in, gives Tory voters no safety net, such as the Lol Monory provided, when the next bear market comes. And a change of UK government could put the plans in jeopardy, even if the move to the left in France did not. PEP investors will io any case stert their shareholding career hy breaking the basic rules of prudent investment.

Diversification of risk is rather hard with £2,400 a year, let alone a few pounds a month. And even in tbe post-Big Bang era of negotiated commissions tbe price of a bargain of £200 or less must be high in percentage terms. The barest minimum for sn equity portfolio is often cited ss £10,000 to ellow a reasonable spread of shares and not too onerous desling costs. Tbe required euthorised PEP manager will add chsrges for sdministration and investment advice as well as offering a field dav to the less scrupulous.

Mr Lawson does not want the money to go into unit trusts or even investment trust shares which, wbatever their faults, would snswer some of the problems. But the investment mansgement firms are planning almost exactly that through discretionary pooled funds where eacb investor owns a certain proportion of the shares. Individuel funds allowing tbe owner to pick their own shares will just not be efficient.

Exco

Exco's sesrch for e new role in financial life, following the sale of Telerate, is continuing. Morgan Grenfell might have heen the ideal destination for a liquid dowry of £370m, the capital needs of modern merchant banks being so great, but even if the impediment to a Morgan merger remains, Exco must eventuelly find a constructive use for its money. In the current year, tbat money should improve Exco's earnings just hy sitting on sterling deposit, given the lower corporate tax rete to whicb the UK interest receipts will be subject.

Exco has heen forced hy a recent and still controversial tax case to make a much increased provision for CGT on its Telerate disposal profit; at least Exco and the Revenue are on the same side in srguing that the decision he reversed. Exco's continuing activities are all performing satisfactorily, though that really does not count for much in settling the valuation or future of Exco. A space to watch.

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WEEKEND FT

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Saturday March 22 1986

The world has a long history of financial bubbles that burst. Yet, the get-rich-quick urge never dies. **Richard Lambert** compares past excesses with today's boom.

The speculation mania

IT WAS an extraordinary summer for new issues. James Puckle formed a company to exploit his machine-gun; a clergyman set up an enterprise to import jackasses from Spain in order to propagate a large kind of mule in England. Sir Richard Manningham wanted to breed silkworms in Chelsea Park. Companies were launched for a more inoffensive method of emptying necessary houses; to build a wheel for perpetual motion; to promote "an undertaking which shall in due course be revealed." And the public lapped them up.

Gullible it certainly was, but not uniquely so. The South Sea Bubble of 1720 was an extreme example of financial folly, and yet it has parallels in much more recent times. Consider this advertisement which appeared in 1929, asking readers of the New York Times to imagine the potential value of a trust which had been formed to buy into water companies:

"Picture this scene today, if by some cataclysm only one small well should remain for the great city of New York—$1 a bucket, $100, $1,000, $1,000,000. The man who owned the well would own the wealth of the city."

From time to time through history, societies have been swept along by a kind of speculative mania. In these circumstances, financial markets which are normally rational and efficient become frenzied and unstable. Prices are driven up to undreamt-of heights, and sober individuals gear themselves up on a mountain of debt in order to play the stocks.

Sooner or later, the bubble bursts. A bank fails, a swindle is revealed; for whatever reason, speculators realise that the game is over and it is time to withdraw. The upshot all too often is a financial crash or, in the expressive German term Torschlusspanik (meaning door-shut-panic), as people crush to get through the door before it slams in their face.

As stock markets everywhere soar to new high points, it becomes relevant to examine the causes and characteristics of such financial booms. And in the present mood of euphoria, the question cannot be dodged. Is the financial world heading for another cycle of boom—and bust?

More often than not, a major financial movement starts with what economist Hyman Minsky has called a "displacement"—a sharp shock to the macro-economic system which changes expectations in the markets about the outlook for the future profitability of investments. Examples would include outbreaks of war and peace, or other far-reaching political changes. The Glorious Revolution of 1688 gave rise to a rush of company promotions. Heavy outflows of bullion from Paris to London fuelled the canal and country bank mania during the Reign of Terror in 1792, a boom that peaked with the guillotining of Louis XVI early in 1793.

Other displacements include the discovery of silver in South America and gold in California, or the arrival of cheaper transport as provided through the Suez Canal. The marked rise and fall of energy costs between 1973 and 1986 have had a similar dramatic impact on expectations.

In response, investors seek to adapt to the new circumstances, and after a time demand presses up against the supply of the newly fashionable assets. Prices rise, generating new profit opportunities and attracting more investors to the scene. As this process builds on itself, a boom gets under way.

More often than not, bull markets wear themselves out without threatening to undermine the financial system. But history suggests that when the speculative fires catch hold across a range of different assets or market places, the consequences can be much more serious. It is striking how often the impact of past booms and busts has been spread across different financial centres.

The Mississippi and South Sea bubbles of 1719 and 1720 have been called the first international crises, with the wild speculation in Paris and London being echoed in the Netherlands, Hamburg and northern Italy. The boom of the early 1850s was worldwide, being founded on the gold discoveries in California and Australia, and so was the panic of 1857. The Ohio Life and Trust Company went down in August; the Bank Act was suspended in London three months later; and, the following month, Hamburg's loan from Austria was pushed through.

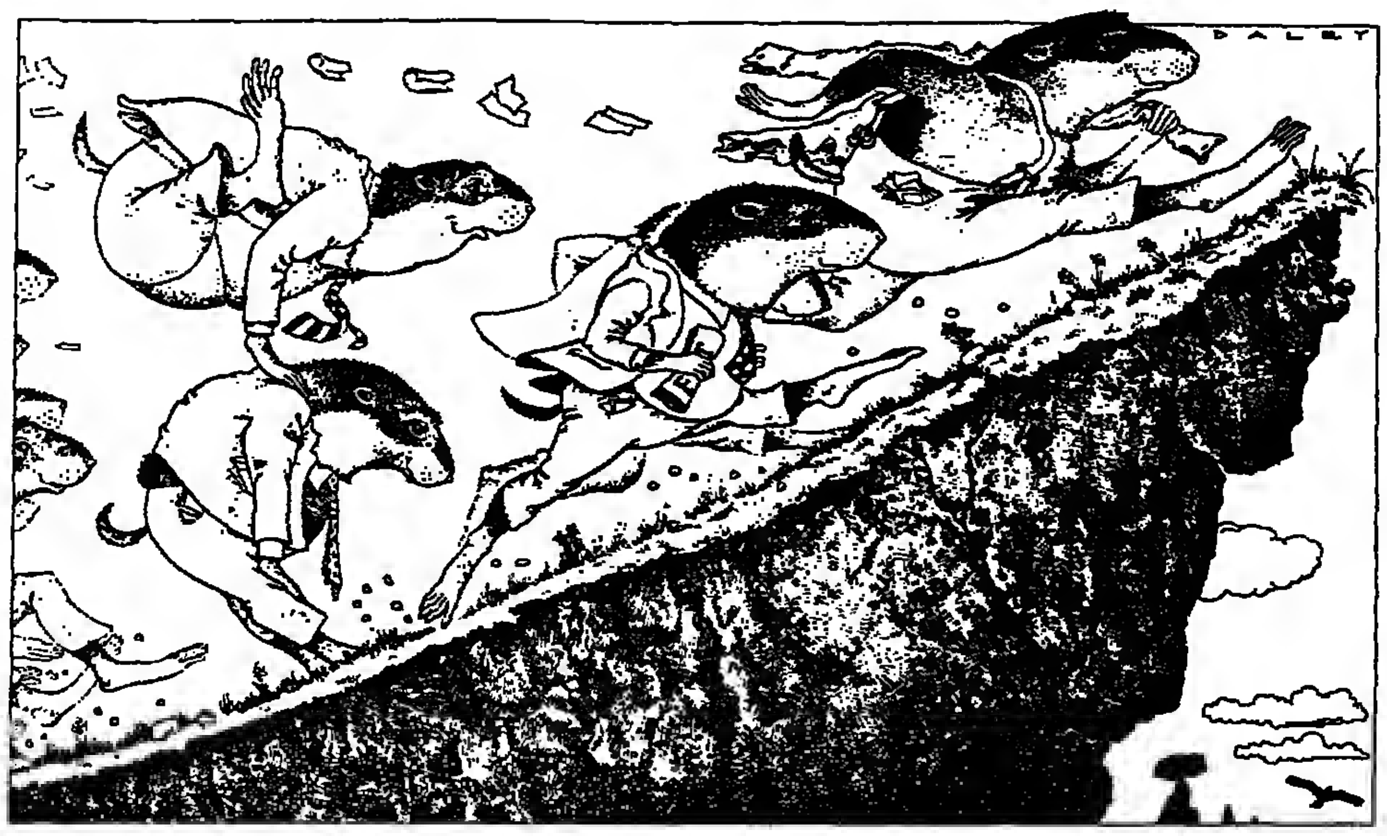
Some economists lay great emphasis on monetary policy as the key to these wild swings in the financial cycle. It has been claimed, for instance, that the decision in 1927 by the New York Fed to cut the discount rate played a central part in the bull market that led up to the great crash of 1929. And it is certainly true that the printing presses were spouting out cash in Paris and London during 1719.

However, cheap credit is not by itself enough to fuel a roaring bull market. Economist Charles Kindleberger has argued persuasively that while shrewd monetary management might have moderated booms leading up to busts, it would not have eliminated them all. There are many examples, especially in Britain, of a central bank failing to douse the speculative flames despite pushing up interest rates well before the bubble burst. When the public has got the bit between its teeth, it does not seem to care about the cost of the money it is throwing into the market, and it is endlessly ingenious in finding new ways of stretching its credit.

Understanding a financial mania requires not so much a grasp of the economic fundamentals as of the irrational way in which people can behave when they join together in crowds. As the banker, Martin, put it in 1720, when subscribing to South Sea stock at the top of the market: "When the rest of the world are mad, we must imitate them in some measure"

Isaac Newton thought he knew better. "I can calculate the motions of the heavenly bodies, but not the madness of people," he said, selling his stock in April for a handsome profit. But even that most rational of beings was to be swept away in the general mood of euphoria. A few months later, he re-entered the market at the top and finished up £20,000 poorer.

The plain fact is that as markets go up, investors become less careful. Caution turns to confidence, and confidence to euphoria. In the early years of the 1830s, Britain's railway boom was soundly based on projects with a solid investment worth. After about 1835, the market became a hunting ground for sharks and rogues. The public stopped buying shares for their intrinsic merits, and bought instead on the assumption of a quick sale at a profit.



At that point, the real worth of the underlying asset becomes just about irrelevant. It has been estimated that the capitalisation of securities traded in London during the summer of 1720 was more than double the worth of all the properties in the nation, valued at 16 years' purchase. Similarly, hot investment trusts in 1929 were often valued at more than twice their underlying net worth.

Why don't speculators ever learn? One explanation is that things always look different at the time. Recalling the Wall Street boom at the beginning of the present century, Alexander Dana Noyes wrote that the market "based its ideas and conduct on the assumption that we were living in a New Era; that old rules and principles and precedents of finance were obsolete; that things could safely be done today which had been dangerous or impossible in the past." And in October of 1929, Yale economist Irving Fisher issued his soon-to-be immortal prediction that "stock prices have reached what looks like a permanently high plateau."

Financiers become public heroes on the strength of their apparent powers to turn base metal into gold. The colossal boom in the shares of the Mississippi Company made John Law, the Scotsman who promoted the scheme, the most sought-after man in France. His house in the Place Vendome was permanently besieged by people of the first quality, all anxious for a few moments with the great man. "Law is so run after that he has no rest day or night," wrote the Regent's mother. "A duchess kissed his hands before everyone, and if duchesses kiss his hands, what parts of him won't the other ladies salute?"

As a financial mania reaches its peak, it seems that the whole of society gives itself over to speculation. "The demon of stock jobbing is the genius of this place," Edward Harley wrote from London in June 1720. "This fills all hearts, tongues and thoughts, and nothing is so like Bedlam as the present humour, which has seized all parties, Whigs, Tories, Jacobites, Papists and all sects. No one is satisfied with even exhorbitant gains, but everyone thirsts for more, and all this founded upon the machine of paper credit supported by imagination."

Or, as the writer Claud Cockburn, reporting for The Times from the US in 1929, was to write later: "In New York, you could talk about Prohibition, or Hemingway, or air conditioning, or music, or horses, but in the end you had to talk about the stock market, and that was where the conversation became serious."

In such a mood of willing gullibility, the public's hunger for stock can come to seem insatiable. During the speculative boom of the 1850s in Austria and Germany, the opening stock sale for the Kredit Anstalt was oversubscribed 43 times; the Brunswick Bank's offer in 1853 was 112 times oversubscribed within three hours. But supply eventually rises to meet demand, and there follows a rising flood of increasingly dubious new issues. According to Swift, himself an early punter in South Sea stock:

"Subscribers here by thousands float,
And jostle one another down;
Each paddling in his leaky boat,
And here they fish for gold, and drown."

Almost inevitably opportunities emerge for swindlers. Fraud grows with prosperity, for in good times people are not inclined to double-check on expense accounts or on the business background of plausible promoters. Greed also pushes otherwise honest citizens over the line.

The most celebrated example was the collective looting of the Union Industrial Bank of Flint, Michigan. This started off as a series of individual initiatives, but during 1928 it gradually dawned on most of the bank's senior officers that they were all "borrowing" funds to punt on Wall Street. They ganged together, their confidence growing with numbers, but after a promising start their little enterprise came to a sticky end. They went short of the market just as prices started to rocket ahead in the summer of 1929. And in an attempt to recoup their position, they decided to go long of stock—very shortly before the crash.

They were by no means alone in their despair. As Walter Bagehot once wrote: "Every great crisis reveals the excessive speculations of many houses which no one before suspected."

Like Swift, Alexander Pope was also at onetime an investor in South Sea stock. He wrote:

"At length corruption, like a general flood,
Did deluge all, and avarice creeping on,
Spread, like a low born mist, and hid the sun.
Statesmen and patriots plied alike the stocks,
Peeress and butler shared alike the box;
And judges jobbed, and bishops bit the town,
And mighty dukes packed cards for half-a-crown:
Britain was sunk in lucre's sordid charms."

* * *

How much of all this is relevant to 1986? Isn't the financial system a great deal more sound—or at any rate more sophisticated—than it was even 50 years ago?

For reasons which are not entirely clear, it does indeed seem to be the case that the character of financial crises changed during the 19th century. From at least 1551 to 1866, such crises seemed to occur at intervals of roughly ten years. Thereafter, at least in the UK, they were fewer in number, and milder. After the traumas of 1929, the same was true of the US. A few mini-manias took place during the late 1960s, but nothing on the scale of earlier days.

Possible explanations include the developing role of central banks as lenders of last resort, and growing international co-operation in tackling transnational financial upheavals. Another suggestion is that the vastly increased weight of government in gross national product has tended to stabilise the part played by the private sector.

Whatever the reason, it seems clear that there is no comparison between the present worldwide bull market and the great speculative bubbles of the past. Although share prices represent what by past standards are very high multiples of reported earnings, profits and dividends are rising fast and the finances of major corporations are soundly based.

The public is not carried away with speculative fever. Most citizens have not geared themselves to the eyeballs in order to buy securities, and it is still possible to meet a taxi-driver who does not want to discuss the outlook for the Dow Jones averages. Yet, it would be unwise to conclude that financial manias are a thing of the past. Although domestic crises may be fewer and less intense than they used to be, the same is not true of international financial upheavals. Foreign exchange markets have shown extraordinary volatility in recent years. And there is no reason to suppose that investors, taken as a body, have become much more rational than was the case in 1720, or 1763, or 1772, or 1793—or in any of the other periods of boom and bust littered across economic history.

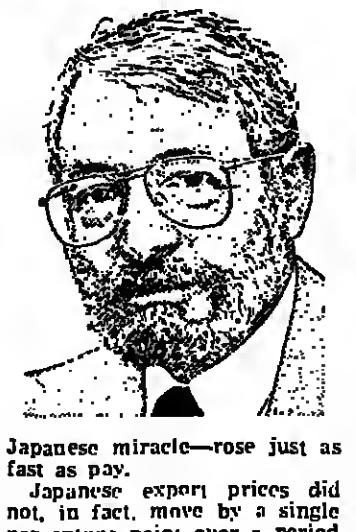
The words of Bernard Baruch, written in the depths of the depression in 1932, seem as relevant today as ever: "I have always thought that if, even in the very presence of dizzily rising prices, we had all continuously repeated 'two and two make four,' much of the evil might have been averted. Similarly, even in the general moment of gloom in which this is written, when many begin to wonder if declines will never halt, the appropriate abracadabra may be 'They always did'."

AUTHOR'S NOTE: I have drawn heavily on the work of Charles Kindleberger: Manias, Panics and Crashes, Macmillan 1978; A Financial History of Western Europe, Allen and Unwin 1984. Other sources include: Memoirs of Extraordinary Popular Delusions, by Charles Mackay, London 1841; The South Sea Bubble, by Lewis Melville, London 1921; and The Great Crash, by J. K. Galbraith, London 1955.

The Long View

Why a haircut should cost much more

Anthony Harris argues that both politicians and investors can become unhealthily obsessed with average prices; and that inflation can actually help to solve problems.



FOR AS long as I can remember—which covers the era since the Second World War—the price of a haircut in Switzerland has been horrifying. This does not mean it has gone up like other prices; the Swiss enjoy extremely low inflation and the price in Swiss francs has no doubt moved only modestly. That is of little interest, however, to a British visitor, for the price of Swiss francs has been rising steeply for nearly all of that time. On the other hand, a haircut in Italy or France used to be quite cheap; now it is moderately dear.

With no other evidence at all, an economic analyst ought to be able to tell you that Switzerland has a high per capita income but a low growth rate, whereas France and Italy used to be low income countries but have grown fast enough to catch up.

He would not, on the other hand, be able to tell you anything very certain about inflation in any of these countries. He would suspect that France and Italy had relatively high inflation, but this would have nothing to do with the cost to a tourist of a haircut or a room for the night. It would simply reflect the fact that rapid economic growth is often (though not always) associated with relatively fast price increases. You might draw the apparently immoral conclusion that price inflation can be a sign of economic health.

This apparently Satanic message is underlined if we look at the case of Japan. Few of us have any tourist experience of Japan, though our tables-of-living costs for travelling executives suggest that a haircut in Tokyo might make even Zurich look cheap. What the published figures do show, though, is that in Japan's most miraculous growth period—a time when we in this country were still calling 3 per cent inflation a crisis rather than a triumph—Japanese retail prices were rising at an annual rate of 7½ per cent. Japanese inflation is now much lower—but so is Japanese growth.

The reason why Japanese prices rose so steeply is simple enough: wages were rising at 10-15 per cent annually, and productivity at only about half that rate. But what these averages conceal is that productivity in the export sector—the real Japanese miracle—rose just as fast as pay.

Japanese export prices did not, in fact, move by a single percentage point over a period of more than a decade, so that Japan became steadily more competitive despite an average inflation rate more than double that of its competitors. It was what you might call a barber-shop inflation; economists would call it leading-sector inflation, or adjustment inflation.

This phenomenon was noticed some 30 years ago by a Hungarian-American economist called Bela Belassa. He showed that the relative price between services—the haircut—and internationally traded goods was a pretty accurate index of productivity and per capita income. Like most good economic insights, this is so obvious once you think about it that you can easily forget it. The labour that goes into a haircut is much the same in Tokyo or Delhi, but the labour that goes into a car is very different. So labour commands a higher wage in Tokyo, and up goes the cost of a haircut.

Land values and rents follow a similar pattern. Rising productivity and incomes do not create more land; they simply increase the competition to occupy what there is. Land prices and rents tend, indeed, to be a geared-up indicator of prosperity; as we get richer, we are able and willing to devote a higher proportion of our income to staking our claim on the most desirable living space and business premises. That again raises the relative price of a haircut.

Now, of course, it is possible for relative prices to change without inflating the general price index — all that is necessary is that some prices should be falling while other rise; but the kind of stringency needed to secure this result will probably result in a somewhat slower growth rate. This is why economists used to regard price inflation of 2 per cent or so as no more than a healthy glow, and Japan could live with much higher rates and prosper.

Certainly, the adjustment of relative prices has a vital role to play in an economy, whether or not it raises the average price level. It is, in fact, the mechanism through which the productive achievements of one sector of the economy get distributed to the other sectors. This is the function of the "going rate" in the labour market. Workers at, say, Leyland got pay increases that reflect some of the quite striking gains that have been made there in productivity; but as these gains are taken as an example in other less productive sectors, average prices rise. They are claiming their share.

This will be so even if Leyland's own settlements are strictly defensible as productivity deals, and result in no price increase there at all; and this is not just theorising, but description. The British productivity catch-up, which the Chancellor celebrated in his speech on Tuesday, is an important cause of the wage catch-up (and British wages are still low in European terms) which he deplored.

All this suggests that both politicians and investors can become unhealthily obsessed with average prices. If the right wing puts too much stress on workplace bargaining or other devices to break up the going rate, or if a future left-wing government tries price controls, they can frustrate the adjustments which enable us all to share prosperity. If either party tries too severe a financial squeeze, we may have no enhanced prosperity to share.

What matters is not so much the price level but competitiveness, evidenced through export market shares; and through profits, given a stable exchange rate. In this, it seems to me that the market is wiser than the politicians or the commentators. Indeed, to conclude what some gloomier readers will regard as a fatuously optimistic column on a suitable note, I look forward to the day when a haircut costs more than I used to dream possible. The barber will be doing well.

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· MARKETS ·

An engaging week in more ways than one

UNLESS YOU happen to be a heavy cigarette smoker Tuesday's Budget probably left you feeling slightly more optimistic about the future than you were the day before. Mr Lawson pulled £1bn of tax cuts out of his hat and spread them around to benefit a broad range of consumers while the Budget sums point to rising output and falling inflation. Lower stamp duty and the introduction of personal equity plans will do no harm to the small investor—nor a Chancellor with a few more privatisations up his sleeve.

The whole package looks positive for the equity sector. The All-Share Index got its skates on and was well over 800 on Wednesday and kept right on going for the rest of the week. Seasoned cynics, however, are suggesting that it was a certain blue-blooded engagement that really got the market on its toes. If so, take heed that there is only one more prince to go.

A more tangible market force is interest rates, and the banks pulled back their base rates by a full point to 11½ per cent, with the building societies following in hot pursuit. Sterling shrugged off lower rates without a wobble—as well it might—and with an obvious caveat about oil prices, although it is hard to imagine them falling further, international investors should continue to be positive towards gilts, which can only be good news for ordinary shares.

If inflation really can be pulled lower to 3½ per cent perhaps long term gilt yields could be pushed down even further towards 8 per cent to encourage a continued rise in equities. Yet that might be asking a lot. Low inflation is being achieved with the clear support of a (relatively) strong pound which requires the backbone of high short term interest rates.

Anyway, the Budget is broadly favourable with consumer sectors standing to benefit. For the first time in years the drinks industry escaped higher excise duties, consumer spending should be enhanced which is solid news for stores while lower mortgage rates should be of help to the builders. The financial sector, and in particular the banks, escaped any "windfall" taxes though the carrots to individual savers are not good news for life assurance companies. In general there should be more pension fund holidays to boost corporate profits on a broad front — not a lot for the bears to get their teeth into.

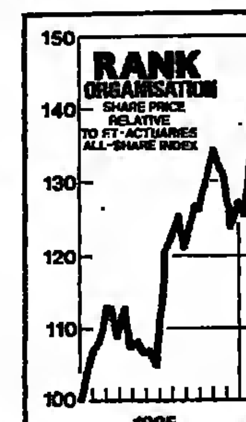
Post Budget fears that there might be a squeeze on defence spending did undermine the electronics sector on Wednesday, however, causing a 1.8 per cent setback; only life assurance performed worse, while the All-Share rose by 1.1 per cent. The reaction is a rather overdone knee-jerk. Any weakness in domestic spending on defence equipment could be offset by export orders which are building up nicely—that Saudi Tornado contract, for instance, is like adding 3 per cent real spending to the sector for the next seven years.

One share that small investors might like to think about this weekend is British Telecom

London

where the final call is due early next month. The benefit of the vouchers has been had end for the myriad of small shareholders who control 26 per cent of the free equity, the choice is to pay another 40p or take profits of over 130p. Long term Telecom is a sound hold but those who were tempted by the vouchers may now be tempted by a very good profit.

On the electricals/electronic bid front, Rank Organisation's bid for the Granada Group looks all but defunct. Rank put its £753m offer on ice at the beginning of the week while the judicial review rolled on and on Thursday the appeal court turned down its attempt to have the IBA block on its bid lifted. The reasons for the



judgment will not be given until next week but Rank's shares are already bouncing back in the belief that it will not be issuing a large parcel of new equity.

Nevertheless there are a few points to make. Rank's action suggests that it has come to the conclusion that to maintain profits growth it has to buy cheap turnover where margins can be improved. Granada actually never looked cheap but that is by the by for the moment. The group has substantially improved margins over the last couple of years but there is a limit to how much more can be achieved and small acquisitions such as the boating and caravan interests of English China are not chunky enough to make much impression. Rank will probably go in search of another target—let us hope it shows more finesse next time, it should have seen the IBA problem in advance.

One of the best performing shares of the past month has undoubtedly been S & W Berisford, outperforming the market by something like 30 per cent. The reason is simple, the market widely anticipates a bid from Italian Ferruzzi.

Monday's purchase, at prices of around 225p, of a 9 per cent stake by Barclays Bank, acting for the Italians, is mildly surprising given that earlier talks had appeared to suggest around 180p for a bid. But at least it indicates some serious intent although whether an outright bid could get past the massed defences (potentially at least) of the OFT, EEC and NFU is more questionable.

Ferruzzi is after British Sugar. The idea is that the rest of Berisford will be sold back to its management. The parts of that package are variable in quality though there are some easily disposable assets such as the RHM stake and some properties.

If the Italians make their move, Tate & Lyle, holding 8.2 per cent of the shares, seems odds-on to enter the fray to protect its own interests. Two rival bids for Berisford could see the whole shooting match pushed over to the Monopolies Commission. Then there is Hillsdown, which has built up a 10.4 per cent holding. What parts of Berisford Hillsdown is interested in is anybody's guess although if Ferruzzi does not bid the rapidly growing Hillsdown might throw in an offer—but it will not be a generous one.

Dee Corporation, past master of the bid scene, managed to surprise the market with a £278m purchase of Herman's Sporting Goods, a specialist chain said to be the largest of its type in the highly fragmented North American market. London had anticipated a bid on this side of the Atlantic although the Herman's deal is structured in a way that leaves Dee able to pounce quickly in the UK if it wished.

Unlike many of its UK acquisitions Herman's is a well run business which Dee will run "hands off." What the UK group can bring to the party is more financial commitment to beef up the opening programme. In a disjointed, but growing market Dee obviously thinks it has a winner despite an apparently hefty purchase price of 25 times historic earnings.

Terry Garrett

MARKET HIGHLIGHTS OF THE WEEK

	Price y'day	Change on week	1985/86 High	1985/86 Low	
FT Govt. Sec. Index	91.24	+ 2.67	91.24	78.02	Budget/interest rate considerations
FT Ordinary Index	1,412.2	+51.5	1,415.1	911.0	Post-budget enthusiasm
Bass	825	+110	825	472	Absence of excise duty increases
Berisford (S. & W.)	231	+30	231	132	Awaiting bid developments
CRA	332	+32	392	238	Rumoured deal with BHP
Charter Cons.	273	+35	273	165	Vague talk of stake build-up
Combined English Stores	234	+43	236	89	Annual results expected Tuesday
DRG	308	+40	308	151	Bumper full-year figures
Distillers	677	+56	685	270	Increased and final offer from Argyll
Legal & General	782	−50	839	548	PEP competition fears/poor results
Marks & Spencer	216	+18	216	115	Consumer spending hopes
NatWest Bank	910	+94	935	568	Sector re-rating after budget
Pleasurama	375	+37	391	183	Tyne Tees TV stake sold
Rentokil	145	−26	179	124	Mon. Comm. probe pest control industry
RTZ	755	+125	760	507	Rumoured deal with BHP
St. Ives	815	+125	815	343	Expansion moves
Tarmac	486	+62	486	226	Cheaper money trend
Tomkinsons	183	+45	183	56	Favourable Press comment
Tricentrol	91	−14	260	91	Prelims. due Wed./div. cut fears
Ultramar	165	−25	250	165	Broker downgrades profits forecast

Benefits from the Budget

Chancellor Nigel Lawson had no specific messages for the USM on Tuesday, but some of the wider measures he outlined seem likely to benefit the junior market. The USM index reflected the main market's warm reception with another record high of 129.57 the following day.

One Budget measure which could have a direct effect on the USM is the proposal to transform capital transfer tax into an inheritance tax. A large proportion of companies on the USM are family companies. At present, such businesses face constraints on the extent to which they can transfer assets from one member of the family to another. The proposed change will make it easier for company founders to pass on their assets to their successors; and because this is likely to ease such companies' access to the USM, it could produce a small increase in the number of new entrants.

The personal equity plan giving tax relief on equity investments applies to the USM as well as the main market. The attractions of the scheme lie more in the opportunity for relief on capital gains than on income, and the USM's orientation towards capital growth rather than pay-outs could make investments in this market particularly attractive under the scheme.

The reduction in income tax will bring companies a small benefit in cash flow terms by reducing their ACT payments. For companies not making enough profits to recover their ACT the benefit will be an actual reduction in tax payable; broker Hoare Govett calculates that up to 10 per cent of USM companies fall into this category.

The reduction of stamp duty on share purchases was welcomed by the market but its extension to takeovers was not. However, the buoyancy of takeover activity on the USM, as on the main market, is such that the move is unlikely to prove a powerful deterrent.

The interest rate cut which followed in the wake of the Budget was another welcome factor. The effect on the USM will be to add a total of about £2.8m to the profits of British companies, producing an

USM
UNLISTED SECURITIES MARKET

average of £80,000 a company. This will, of course, be unevenly distributed according to each company's borrowings.

If the news for the USM as a whole has been good this week, so have the results of individual companies. Central Independent Television and Wickes, two giants of the junior market, both produced pleasing figures.

Central made a better-than-expected £11.9m for 1985 against £10m the year before, and its shares responded with a 20p rise to 260p. It also announced its intention to move to the main market.

Central has long looked a little large for the USM but has been prevented from moving to the main market by the lack of a five-year trading record. Even now, it has notched up only four years; but the Stock Exchange can be flexible over transfers if it is persuaded that a company is ready for the big league.

One important feature of the move will be the enfranchisement of Central's non-voting shares. At present, 72.5 per cent of these are in the hands of four big shareholders—Ladbroke, Sears, D. C. Thomson, and Robert Maxwell's BPCC and Pergamon—and the narrowness of the market in the shares, their lack of voting rights, and their USM status, have not made them popular.

Enfranchisement and a main market listing will ease the situation and could also encourage a divestment by one of the major shareholders. The prime candidate is Mr Maxwell, whose direct broadcasting interests have been cited as presenting a potential conflict of interest, but he has thus far shown no indication of a desire to quit the board.

After Ladbroke's proposed acquisition of Home Charm and Ward White's buy-out of Payless, Wickes can (and does) claim to be Britain's only quoted DIY retailer. Until Thursday, however, the boast had done little for its shares: even after beating its January flotation forecast of £3.6m with profits of £3.27m, they managed only a 1p rise to 150p. With at least £6m in sight for the present year, the prospective p/e ratio of 13 was way below the sector average of nearly 18.

The market's lack of enthusiasm for Wickes seemed partly to rest on the notion that in spite of the soundness of the management, spectacular growth was unlikely beyond the present year in such a competitive sector. There is also a degree of irritation over the lack of liquidity in the shares, with the US parent showing no signs of relinquishing any part of its 85 per cent holding.

By yesterday, however, the shares were finding friends, rising 16p to 175p by noon; but the very narrowness of the market must have contributed to the size of the jump.

Richard Tomkins

BATS set to make only £1150m

THE MARKET has been so well prepared for a lacklustre performance that when BAT INDUSTRIES' end-of-year results surface on Wednesday, anything higher than £1,150m will come as a welcome surprise.

Adverse exchange rates should have erased £200m or so, with the dollar alone eradicating £150m. Currency problems have been compounded by a marked decline in profits within both US retailing and Eagle Star Insurance. But BAT spent much of 1985 putting its house in order and the problems are unlikely to recur in 1986.

At BRITISH AEROSPACE, the strength of orders for Tornado aircraft and consequent long production run is having a big impact on manufacturing efficiency in the military aircraft division, while the whole product range of missiles — Rapier, in particular — is selling well.

The loss-making civil aircraft and space divisions are expected to have shown improvements in the second half and the City is expecting overall profits of about £155m for the year to December compared with £120.2m the year before. The results are due on Tuesday.

David Stevens has hauled himself out of one battle (with Lord Matthews for control of Fleet Holdings) only to find himself in an even tougher contest with Eddie Shah.

The City expects profits of £33m when UNITED NEWSPAPERS preliminary results are unveiled on Tuesday, with a contribution of £1.5m for two months of Fleet.

Cost-cutting has turned United's regional newspaper division into one of the most efficient in the country, but the continued growth of free newspapers has focused the City's attention on Express, where economies and staving off the threat of Today are the priorities.

The market is more interested in dreaming up possible suitors for WOOLWORTH than in the finer details of its preliminary results, due on Wednesday.

Nevertheless, analysts expect £78m (not including property profits) compared with £56.8m last year.

Progress at the major chains will be uneven, with B and Q held back by expansion costs and a more difficult DIY market; and Comet losing market

Results due next week

share as its trading format looks increasingly tired.

Meanwhile, the F. W. Woolworth chain itself should have had an excellent Christmas, with improvements in efficiency resulting in an encouraging growth of margins.

When LUCAS INDUSTRIES reports its interims on Wednesday the market will be expecting £25m, an increase of £10m over the first half of last year. In addition, there should be £10m pre-tax benefit from the pension fund holiday. With £20m to come for the year from the holiday, interim forecasts are based on the money being taken in two equal chunks.

Analysts will be looking for signs that the restructuring at Lucas Electrical is bearing fruit. Heavy trading losses were made by this unit last year, plus sizeable provisions for reorganisation costs.

Elsewhere, the news should be good. UK and European automotive activities are improving: the new US plant should be heading towards break even; and aerospace equipment sales seem likely to continue the strong growth trend apparent in the year to July 1985.

On Tuesday, PRUDENTIAL CORPORATION announces its results for 1985. As Britain's largest life assurance group, earnings from its life and pensions operations will provide the bulk of overall profits and the market is expecting these to be little different in sterling terms from last year, at £126m.

Overseas life profits will be adversely affected by currency movements: and in the UK last year's figure was boosted by a special bonus declaration.

However, the Pru is also a major non-life insurance company and has a substantial reinsurance operation through its subsidiary, Mercantile and General. Its non-life results were so poor in 1984 that it is highly likely 1985 will show an improvement, in spite of the poor weather in the UK last year and problems in the UK motor insurance.

In what looks to be the busiest reporting week of the year, among the major companies announcing results are Steetley, Freemans and IMI on Monday; Standard Chartered Bank on Tuesday; BICC and Babcock International on Wednesday; and Croda International on Thursday.

Company	Announcement due	Dividend (p)* Last year Int.	Last year Final	This year Int.
FINAL DIVIDENDS				
Amari	Thursday	1.0	1.7	3.0
American Trust	Tuesday	1.05	1.85	1.15
Aquascutum	Tuesday	0.75	1.5	0.8
Associated Book Publishers	Wednesday	1.875	3.125	3.0
Associated Steel Distributors	Monday	—	4.0	—
Babcock International	Wednesday	3.7	4.3	4.0
Barrow Hepburn	Monday	0.7	0.7	1.0
B.A.T. Industries	Wednesday	4.05	6.25	4.75
BICC	Wednesday	3.5	7.04	3.5
Booker McConnell	Tuesday	2.75	6.25	4.25
Breedon and Cloud Hill Lime Works	Thursday	2.4	6.5	3.0
Brent Chemicals	Monday	0.75	2.75	0.86
Bridon	Wednesday	1.2	2.8	1.5
Britannic Assurance	Wednesday	8.5	17.0	9.5
British Aerospace	Tuesday	5.25	8.4	5.8
Brown Boveri Kent (Holdings)	Wednesday	1.0	1.5	1.0
Clifford's Dairies	Tuesday	2.2	4.2	2.5
Combined English Stores	Tuesday	1.96	2.94	2.45
Comcap	Tuesday	0.4	0.8	—
Croda International	Thursday	3.0	4.0	3.0
Crowther, John	Tuesday	—	1.5	—
Derwent Valley Holdings	Thursday	15.0	70.0	15.0
Early's of Witney	Monday	0.315	1.0	0.315
EBC	Tuesday	2.0	3.8	2.65
Estates and General Investments	Tuesday	0.75	1.55	0.825
Eucalyptus Pulp Mills	Tuesday	—	7.0	—
Freemans	Monday	2.0	3.5	2.3
Garton Engineering	Monday	1.0	2.0	1.0
Gibbs and Dandy	Wednesday	—	1.675	—
Goal Petroleum	Tuesday	—	1.0	—
Grampian Holdings	Monday	1.5	3.5	2.0
Hall Engineering	Monday	3.41	4.2	3.66
HB Electronic Components	Tuesday	0.5	0.75	—
Hickson International	Monday	4.0	10.0	5.0
Horizon Travel	Wednesday	0.88	3.52	0.88
House of Lerose	Thursday	3.0	5.0	3.0
Iceland Frozen Foods	Tuesday	—	—	2.2
IMI	Monday	2.0	2.5	2.2
Jacobs, John I.	Thursday	1.2	2.1	1.4
Johnson Group Cleaners	Tuesday	3.18	15.42	4.2
Lamont Holdings	Monday	0.7	2.4	1.2
L.A.S.M.O.	Tuesday	4.5	7.7	4.5
Lowe Howard-Spink and Bell	Wednesday	—	2.8	2.0
Manders (Holdings)	Thursday	2.0	5.5	2.1
Martin Currie Pacific Trust	Thursday	—	—	—
Matthews, Bernard	Wednesday	2.5	4.0	3.75
Metal Closures	Wednesday	2.2	4.5	2.2
Monument Oil and Gas	Wednesday	—	—	—
Palma Group	Monday	0.75	1.25	0.75
Petranol	Monday	—	1.0	—
Prudential Corporation	Tuesday	7.5	15.0	8.0
Readymix	Wednesday	—	—	—
Reckware	Tuesday	—	—	—
Rotork	Wednesday	2.1	2.4	2.4
Sovereign Oil and Gas	Monday	—	—	—
Spring Ram Corporation	Monday	0.55	1.1	0.605
Stag Furniture	Wednesday	1.75	1.0	1.75
Standard Chartered	Tuesday	9.5	19.0	10.5
Steel Burrill Jones	Wednesday	0.75	3.0	2.0
Steetley	Monday	4.5	7.5	5.0
Sunbeam Wolsey	Tuesday	1.0	3.0	1.0
Suora	Wednesday	0.72727	1.13636	0.8
Technical Component Industries	Monday	—	—	—
Telfos	Tuesday	0.875	1.28333	1.66667
Trade Indemnity	Tuesday	3.7504	4.688	4.25
United Newspapers	Tuesday	5.5	8.0	6.0
VG Instruments	Wednesday	0.6	1.2	0.7
Wold	Wednesday	—	—	0.75
Wolstenholme Rink	Tuesday	2.5	5.25	2.5
Woolworth Holdings	Wednesday	1.75	8.0	3.0
WW Group	Wednesday	1.94	1.6	1.94
INTERIM DIVIDENDS				
British Car Auctions	Tuesday	1.25	2.0	
Bryant Holdings	Tuesday	1.1	2.2	
Close Brothers	Tuesday	2.625	4.75	
Fleming Japanese Inv. Trust	Monday	0.5	3.5	
Frogmore Estates	Monday	1.768	5.151	
Halstead, James	Monday	1.5	2.5	
Lucas Industries	Wednesday	2.8	8.4	
Magnetic Materials	Monday	—	—	
Manson Finance Trust	Tuesday	0.625	0.875	
Maunders, John	Wednesday	2.25	7.25	
Pifco Holdings	Wednesday	1.76	3.52	
Precious Metals Trust	Wednesday	—	0.55	
Really Useful Group	Wednesday	—	—	
Trafford Park Estates	Monday	3.75	7.75	
Young, H.	Wednesday	1.05	2.1	

* Dividends are shown net pence per share and are adjusted for any intervening scrip issue.

INTEREST RATES: WHAT YOU GET FOR YOUR MONEY

	Quoted rate %	Compounded return for taxpayers at 30%	45%	60%	Frequency of payment	Tax (see notes)	Amount invested £	Withdrawals (days)
CLEARING BANK*								
Deposit account	5.75	5.9	4.60	3.37	monthly	1	—	0.7
High interest cheque	8.25	8.50	6.69	4.86	quarterly	1	2,500 minimum	0
3-month term	7.625	7.85	6.17	4.49	quarterly	1	2,500-25,000	90
BUILDING SOCIETY†								
Ordinary share	6.00	6.09	4.79	3.48	half yearly	1	1-250,000	0
High interest access	7.75	7.75	6.09	4.43	yearly	1	500 minimum	0
High interest access	8.00	8.00	6.29	4.57	yearly	1	2,000 minimum	0
High interest access	8.25	8.25	6.48	4.71	yearly	1	5,000 minimum	0
High interest access	8.50	8.50	6.68	4.86	yearly	1	10,000 minimum	0
90 day	8.50	8.68	6.82	4.96	half yearly	1	500 minimum	90
Premium	8.42	8.69	6.83	4.97	quarterly	1	10,000 minimum	90
NATIONAL SAVINGS								
Investment account	11.50	8.05	6.33	4.60	yearly	2	5-50,000	30
Income bonds	12.00	8.88	6.97	5.07	monthly	2	2,000-50,000	90
31st issue‡	7.85	7.85	7.85	7.85	not applicable	3	25-5,000	8
Yearly plan	8.19	8.19	8.19	8.19	not applicable	3	20-200/month	14
General extension	8.52	8.52	8.52	8.52	yearly	3	—	8
MONEY MARKET ACCOUNTS								
Money Market Trust	9.17	9.36	7.37	5.36	half yearly	1	2,500 minimum	0
Schroder Wagg	8.22	8.54	6.71	4.88	monthly	1	2,500 minimum	0
Provincial Trust	8.97	9.35	7.35	5.34	monthly	1	1,000 minimum	0
BRITISH GOVERNMENT STOCKS§								
7.75% Treasury 1985-88	9.65	7.40	6.17	4.95	half yearly	4	—	0
10% Treasury 1990	9.39	6.53	5.01	3.50	half yearly	4	—	0
10.25% Exchequer 1995	9.34	6.47	4.94	3.42	half yearly	4	—	0
3% Treasury 1987	8.36	7.55	7.06	6.56	half yearly	4	—	0
3% Treasury 1989	7.94	7.08	6.57	6.07	half yearly	4	—	0
Index-linked 1990¶	8.47	8.00	7.77	7.44	half yearly	2/4	—	0

* Lloyds Bank. † Halifax. ‡ Held for five years. § Source: Phillips and Drew. ¶ Assumes 4 per cent inflation rate. 1 Paid after deduction of composite rate tax, credited as net of basic rate tax. 2 Paid gross. 3 Tax free. 4 Dividends paid after deduction of basic rate tax.

COMPANY NEWS SUMMARY

TAKE-OVER BIDS AND MERGERS

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder
Aaronite Group	60‖‖	63	60	3.15	Morcean Holdings
A. C. Cars	95*	160	85	1.90	Mr W. West
Bush Radio	151	148	155	14.2	Prestwich Hldgs
Campari Intl	49*§	51	45	4.21	Mr A. Nordin
Clive Discount	50*	50	47	11.95	Bache Group
Ctry Gentlemans	690§	775	775	4.79	Bestwood
Cope Allman	360‡	345	282	81.23	Hawley Group
Dew (George)	95	93	92	7.6	Bremner
Distillers	686§§	677	510	2.491bn	Argyll Group
Distillers	689§§	677	627	2.50bn	Guinness
Dixon (David)	395	371	325††	7.18	Gelfer (A. J.)
First Castle Elec¶	200	192	111	51.8	Morgan Crucible
Gomme Holdings	87*	87	59	11.22	Millmine
Group Lotus¶	129½*	127	120††	22.74	GMLG
Haslemere Estates	640*§	635	505	188.62	Rodamco Prop
Home Charm	367	358	333	157.10	Ladbroke
Imperial Group	336§§	344	291	2.54bn	Hanson Trust
Imperial Group	328§§	344	291	2.48bn	Utd Biscuits
Inn Leisure¶	109	136	116	28.76	Devenish
Kenning Motor	192½	192	173	81.18	Tozer Kemsley
Macarthy's Phar	275*§	358	257	36.22	Jadelle
Martonair Intl	653	625	525	84.97	IMI
McCorquodale	215	227	210	110.19	Norton Opax
MCD	217½	204	198	38.0	Crowther (J.)
Newman Tonks	151§§	141	96	47.35	McKechnie Bros
Promotions House	29½	30½	23	7.4	WPP Group
Raybeck	47½*	44	44	17.43	Legibns 687
Shaw Carpets	25	28	29	4.5	Lamont Hldgs
Somportex	28½*§	168	27	0.79	Messrs N. Wray & C. Mattock
Sonesson	190*‖	£17½	£13½††	3.23bn	Fermenta
Spencer Clark	140*	166	131	7.03	Williams Hldgs
Staffs Potteries	113	118	122††	8.35	Coloroll
Staffs Potts Pref	282	265	255‡‡	4.53	Coloroll
UKO Intnl	252§	250	182	35.41	Sate
Utd Com & Tech	110*§	125	70	2.75	Harvard Secs
Utd Com & Tech¶	127½§	125	105	3.19	Park Place
Wadkin¶	237	243	170††	11.38	Robinson (Thos)
Watson (R. Klvn)	275*	265	248	8.25	Coopervision
Williams (J.)	29§	34	20	1.67	Wyndham Group
W. W. Group	375	350	255	9.26	Crowther (J.)

Prices in pence unless otherwise indicated.

* All cash offer. † Cash alternative. † Partial bid. § For capital not already held. ¶ Unconditional. ** Based on March 21 1986. †† At suspension. §§ Shares and cash. ¶¶ Related to NAV to be determined. ‖‖ Loan stock. ‡‡ Suspended. ‖ Swedish kroner.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Alida Hldgs	Dec	2,220	(1,250)	—	(—)	9.75	(4.88)
Ansbacher, H.	Dec†	2,700	(131,000)L	1.9	(—)	—	(—)
Auto Products	Jan	7,500	(3,900)	—	(—)	1.0	(1.5)
Banro Ind	Dec	1,620	(810)	—	(—)	7.0	(4.3)
Beatson Clark	Dec	1,180	(434)L	12.4	(—)	7.5	(6.6)
Boddingtons	Dec	11,740	(9,468)	8.3	(7.0)	3.25	(2.85)
Britoil	Dec	730,900	(688,100)	37.4	(33.8)	13.0	(11.5)
Bronx Eng	Nov	119	(645)L	0.7	(—)	0.5	(0.5)
Cambridge Elec	Dec	10,630	(12,010)	15.7	(21.5)	7.45	(7.0)
Central TV	Dec	11,860	(10,050)	26.3	(24.3)	12.5	(10.5)
Church & Co.	Dec	4,390	(4,720)	—	(—)	8.5	(7.5)
Clarke, T.	Dec	608	(586)	—	(—)	2.31	(2.31)
Clyde Pet	Dec	8,550	(12,310)	—	(—)	1.5	(1.5)
Cons (Cmp & Fnl	Dec	971	(90)L	—	(—)	0.55	(0.15)
Counter Mkt Prod	Dec	1,010	(430)	6.8	(3.3)	0.44	(—)
Davidson Pearce	Dec	2,260	(1,700)	9.9	(6.8)	1.5	(—)
Davies & Metcalfe	Dec	286L	(335)	—	(—)	—	(—)
DRG	Dec	31,200	(26,000)	—	(—)	8.25	(7.5)
Expamet Intl	Dec	4,380	(3,200)	12.6	(9.5)	5.9	(5.0)
Greenfields Hldgs	Aug	237	(182)	—	(—)	—	(—)
Hamlyn Milling	Sept	355	(278)	—	(—)	—	(—)
Hep Ceramic	Dec	33,540	(35,230)	12.9	(14.1)	7.2	(6.75)
Hunter	Dec	1,050	(660)	—	(—)	2.5	(—)
Invergordon Dist	Dec	4,550	(4,130)	15.7	(14.7)	4.75	(4.25)
Jones & Shipman	Dec	2,120	(1,060)	15.3	(8.6)	3.85	(2.75)
Jourdan, T.	Dec	894	(1,040)	—	(—)	5.0	(10.0)
Kode Intl	Dec	1,350	(837)	18.8	(9.7)	7.35	(6.3)
Laing Prop	Dec	31,500	(48,100)	29.3	(23.6)	24.5	(21.5)
Legal & Genl	Dec	15,500	(13,200)	—	(—)	7.0	(6.25)
Lorlin Elec	Dec	929	(812)	11.4	(9.8)	2.5	(1.5)
Mackay, Hugh	Dec	521	(659)	7.8	(8.3)	4.6	(4.6)
Metalrax	Dec	3,550	(3,060)	6.6	(5.8)	2.45	(2.06)
Morgan Grenfell	Dec	54,500	(38,800)	—	(—)	12.0	(8.5)
Norank Systems	Dec	404	(191)	7.8	(1.3)	—	(—)
Octopus Pub	Dec	20,360	(13,483)	23.1	(18.5)	6.75	(5.4)
Pearson	Dec	109,300	(99,400)	30.0	(28.9)	10.0	(8.5)
Pittard	Dec	2,670	(2,210)	16.0	(14.4)	3.72	(3.3)
Rentokil	Dec	26,040	(24,750)	7.8	(7.4)	2.44	(2.13)
Ryan Intnl	Dec	2,727	(14)L	—	(—)	—	(—)
Sale Tilney	Dec	4,100	(3,100)	17.0	(15.8)	8.5	(4.67)
Schroders	Dec	29,200	(15,130)	83.4	(71.0)	21.5	(18.5)
Sharpe & Fisher	Dec	2,160	(2,200)	—	(—)	2.33	(2.25)
Sintrom	Dec	1,250	(1,030)	8.9	(7.4)	2.2	(—)
Smith & Nephew	Dec	70,600	(55,500)	11.8	(9.8)	4.65	(3.79)
Stockley	Dec	3,760	(88)	1.4	(0.1)	—	(—)
Superdrug	Mar	10,380	(8,740)	16.9	(13.3)	5.0	(4.2)
Suter	Dec	9,540	(4,140)	13.9	(9.4)	4.2	(3.5)
Turner & Newell	Dec	39,600	(27,500)	25.7	(17.6)	5.0	(2.5)
Watmoughs	Dec	2,220	(2,130)	18.3	(21.3)	6.5	(6.25)
Wickes	Jan	3,720	(2,175)	9.0	(6.6)	—	(—)
Willis Faber	Dec	60,710	(47,020)	40.1	(29.2)	8.75	(6.5)
WW	Dec	1,550	(1,230)	—	(—)	7.94	(7.94)

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
A&G Sec Elec	Jan	301	(405)	0.48	(0.48)
Armstrong Equip	Dec	3,310	(1,510)	0.75	(0.3)
Barratt Dev	Dec	7,520	(4,100)	7.62	(7.62)
Blanchards	Dec	405	(243)	1.5	(—)
BM	Dec	1,030	(480)	0.66	(0.66)
Browns, Charlie	Jan	317	(189)	1.0	(—)
Cbmhrs & Fargus	Dec	51	(70)L	—	(—)
Dunton Group	Nov	172	(78)	0.18	(—)
Gent, S. R.	Dec	22	(901)	0.5	(1.0)
Goodman Bros	Oct	153L	(25)	—	(—)
HTV	Jan	4,340	(3,930)	2.8	(2.5)
Logica	Dec	1,680	(1,150)	—	(0.35)
LWT	Jan	6,130	(5,430)	5.69	(5.17)
MAI	Dec	16,240	(12,680)	4.0	(4.0)
Mayhew Foods	Nov	513	(616)	0.75	(—)
Pacific Sales	Dec	526	(533)	1.0	(1.0)
Park Place	Dec	1,510	(1,250)	2.75	(2.25)
Paterson Zoch	Dec	20,870	(17,520)	1.65	(1.55)
Pennine Res	Sept	90	(25)L	—	(—)
Prestwich Hldgs	Dec	813	(424)	0.35	(0.18)
Renishaw	Dec	2,210	(1,920)	0.7	(0.8)
Sand Mrry Elder	Dec	66	(53)	—	(—)
Scholes, G. H.	Dec	2,450	(2,220)	8.0	(6.0)
Sheldon Jones	Nov	254	(265)	1.35	(1.35)
Sirdar	Jan	5,970	(4,830)	1.65	(1.32)
Streng & Fisher	Dec	2,170	(1,050)	3.0	(2.5)
Tay Homes	Dec	324	(185)	1.54	(1.4)
Thorpe, F. W.	Dec	582	(450)	1.8	(1.4)
TSW TV Sth West	Jan	1,020	(835)	0.64	(0.55)
Walker, T.	Dec	96	(102)	0.17	(0.17)
West & Country	Oct	171	(163)	3.0	(3.0)

(Figures in parentheses are for the corresponding period.)
* Dividends are shown net pence per share, except where otherwise indicated. † Figures for nine months. New year end. L Loss.

RIGHTS ISSUES

Alida Holdings—To raise £1.60m through a one for four rights issue at 140p.
Associated Newspapers—To raise £29.6m through a one for 10 rights issue at 230p.

SCRIP ISSUES

Alida Holdings—One for two.
Jourdan, Thomas—One for one.
Metalrax—One for 10.

هكذا من الأصل

Shivers at the witching hour

IT HAS been one of those weeks on Wall Street when it did not pay to spend too long at the water cooler impressing the messengers and secretaries with details of one's latest stock market triumph. Half an hour away from the ticker tape and the market could have moved a dozen points either way.

US share prices have been volatile in the run-up to what has been dubbed the "triple witching hour" — the final hour of trading yesterday. Friday was one of just four days each year when stock index futures, options contracts and individual stock options all expire on the same day. For professional investors, who use powerful computers to execute complex trading strategies to make money when index products move out of line with

Wall Street

underlying stock prices, this is the day of reckoning.

Given the dreamlike upwards momentum of Wall Street over the past six months, the imminent arrival of the "hour" was being viewed by more superstitious investors as some kind of cosmic event, akin to the appearance of sun spots. All week long, investment advisers have been warning the small investor to beware.

After the previous week, the best and busiest week on record for US share prices with the Dow Jones Industrial Average putting on close to 100 points, the present week started on a soft note with the Dow losing 30 points on Monday. However, the next day it recovered; and on Thursday evening it had broken above the 1800 level for the first time, with much of the share buying thought to be related to yesterday's expiration of stock index futures contracts.

Wall Street remains in a bullish mood and Shearson Lehman Brothers told its clients that it expects the Dow "to probe 2,000 in 1987." The stocks of the drug companies were especially strong this week, with Eli Lilly ($69¼) and Pfizer ($59) both hitting new highs. With the dollar hitting new lows against many major currencies, analysts are expecting big things from the drug companies.

Shares of the big US car manufacturers were also star performers this week. General Motors shares hit a new peak of $85 and Ford shares, which were trading at $40 last year, also touched a record of $80. The strength is surprising, given the weakness in US car sales and reports of production cutbacks.

However, the hottest star in Detroit right now is Lee Iacocca, the irrepressible chief executive of Chrysler, who announced on the day his company's shares hit a new peak of $45 that he had been picked for a part in Miami Vice, a popular cops and robbers series. Mr Iacocca, who has been tipped in the past as a future US presidential candidate, plays the part of a Miami parks commissioner whose most memorable line is: "If it's any help, I know how to handle a gun."

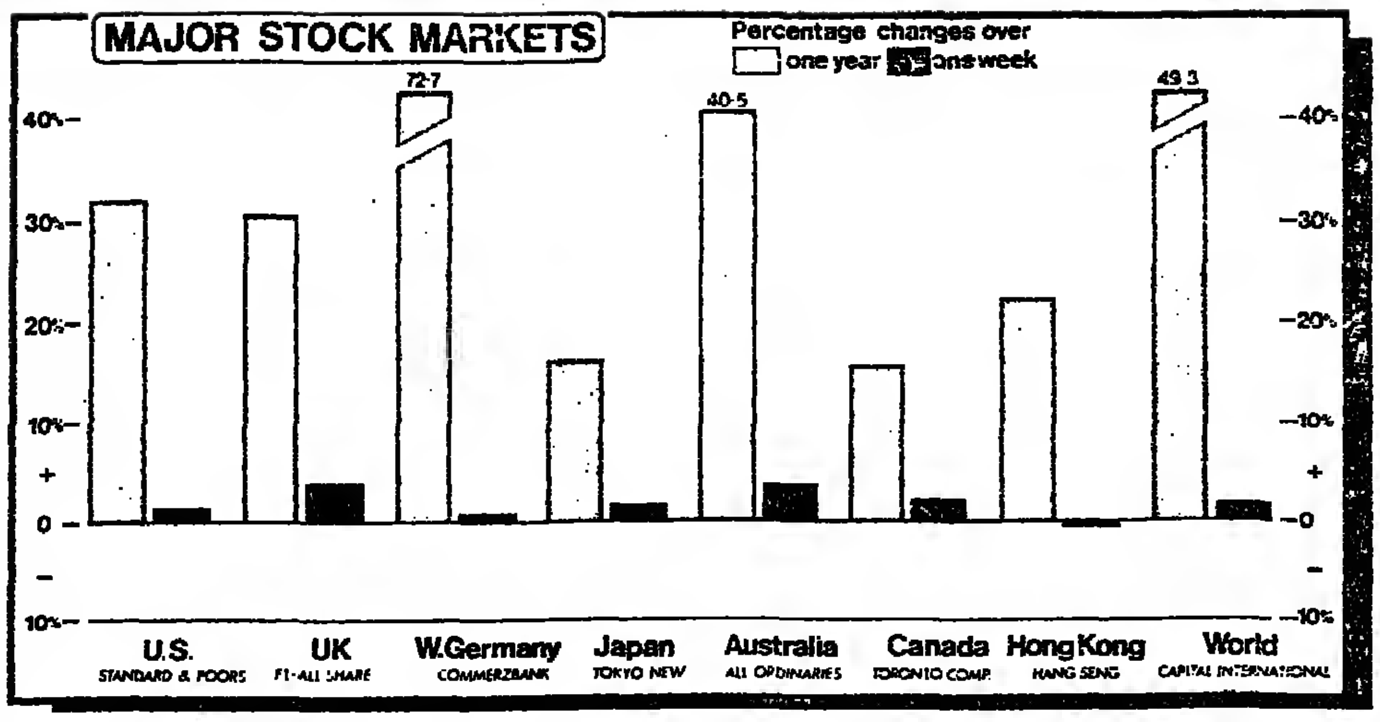
Most of America's corporate chieftains do not share Mr Iacocca's enthusiasm for taking time off from running the company. Despite Wall Street's bullish mood, the message from the country's economic heartland is far from optimistic. Hundreds of banks stretching all the way from North Dakota down to Texas are facing serious problems because of the collapse in the farm and energy industries.

The decline in the value of the dollar is beginning to help US exporters, and lower interest rates and oil prices are also having an impact. However, the downwards revision in the fourth-quarter gross national product growth rate, to 0.7 per cent, shows that the economy is a lot weaker than some people had expected. This helps to explain the power struggle now going on in the Federal Reserve where there are signs that Mr Paul Volcker is beginning to lose his grip.

Meanwhile, a growing number of companies are taking advantage of the boom in share prices to raise new equity. The most prestigious offering of the week was Morgan Stanley, the New York investment bank, which went public yesterday at $56.50 per share. The shares jumped to $71 in early trading, which is more than three times book value and leads to the inevitable question: if Morgan Stanley's millionaire partners believe this is the right time to sell shares, is it the time to be buying US equities?

MONDAY	1,776.82	−15.92
TUESDAY	1,789.87	+13.05
WEDNESDAY	1,787.95	−1.92
THURSDAY	1,804.24	+16.29

William Hall



The heroes who fell from grace

THE SWEDISH stock market has been going through turbulent times. Only three weeks ago — on Black Thursday, February 27 — it suffered its biggest-ever fall in a single day following the shock announcement from Kjell-Olof Feldt, the Finance Minister, that the Government was planning to double the turnover tax on share trading from 1 to 2 per cent — in spite of repeated denials in recent months from Mr Feldt and other ministers.

However, the market shrugged off its worries to the extent that by Thursday this week it had passed its previous peak of 659.4, reached on the Verkans Affarer (VA) Index in January, and soared to 682.

Barely 24 hours after Black Thursday, the nation was numbed by the assassination of Olof Palme, the Prime Minister, on an open street in the middle of Stockholm, but the ruling Social Democrat Party moved fast to fill the political vacuum; and even before the markets re-opened it was clear that the party had closed ranks solidly behind Ingvar Carlsson, the deputy Prime Minister.

However, the change of leader does nothing to alter the fact that the Swedish stock market is labouring under a heavy political cloud following recent revelations about a series of deals, that have served to cast doubts on the ethical practices. Indeed, Mr Carlsson announced: "A special committee of inquiry has been set up to look into certain stock exchange transactions. The Government will take those measures that may be necessary to restore respect and confidence in the Swedish Stock Exchange."

The committee to which he referred is the so-called Leo Commission, established at the end of last year to examine, in particular, the directed share issues in Leo made by its parent company, Sonessons, a Swedish engineering and pharmaceuticals group quoted on both the Stockholm and London stock exchanges. The turmoil which blew up last November led to the resignation of Hans Eric Ovin, the Sonessons' chairman and group chief executive; and also dragged other prominent Swedish industrial names such

Stockholm

as Pehr Gyllenhammar, the Volvo chairman, and Hakan Frisinger, Volvo's managing director, into the mire.

Sonessons is a Volvo affiliate and both Mr Gyllenhammar and Mr Frisinger had bought shares in Leo as part of the controversial directed issue that was tightly restricted and not made available on the same terms to all Sonessons' shareholders. At an emotion-charged press conference late last year Mr Gyllenhammar announced he was selling his Leo shares at cost to a cancer fund, but Mr Frisinger decided to hang on to his holding.

A couple of years ago, as the stock market was still riding on the crest of its extraordinary three-year boom, leaders of the business and financial community began to emerge, rather astonishingly, as the new dynamic heroes of Swedish society. Much of that glitter has started to look decidedly tarnished in recent months, though, as one scandal has followed another — often accompanied by rather extraordinary media hype, it must be said. The Social Democratic Government and the rest of the Swedish labour movement have been quick to make political capital out of the market's fall from grace.

"Industrialists are not the heroes we were some time ago," the chief executive of one of the country's top corporations admitted this week. "And in some way, we will have to pay for it." Part of the payment is already apparent in the Government's announcement of the doubled turnover tax. Mr Feldt made clear that his decision to drop his earlier opposition to increasing the tax had been influenced in no small way by "the scandals and the misuses of power that have happened in the market."

As an extra jab at the business and financial sectors he announced a tightening of the deductions rules for expense account entertaining, claiming the move was in the interests of the nation's health. "It might contribute to slimming down some of the members of the business community," he observed.

The ethics debate thunders on, however, with the threat of government legislation still hanging heavily over the market. In a bid to head off intervention from the state, the Swedish Federation of Industry and the Stockholm Chamber of Commerce announced plans to set up a new independent monitoring agency, after the model of London's City Panel, as the centrepiece of its attempts to improve self-regulation of the market.

At the same time, the stock market board itself has come out with new recommendations about improved disclosure of information. For the first time in more than 10 years, it has issued a written warning to a stock market member for misconduct in share dealing.

For the moment, however, the Stockholm market is taking all the turbulence in its stride. Several of the blue chip stocks have been trading at all-time highs led by Electrolux, the Swedish household appliances group, which is set to become the world's biggest white goods manufacturer. This follows the $740m takeover of White Consolidated Industries in the US, the biggest foreign acquisition ever attempted by a Swedish industrial corporation.

Kevin Done

IN THE NEWS

INSTANT BORROWING, using unit trust investments as collateral, is a special feature in a scheme launched by Orion Royal Bank this week. Orion, a subsidiary of the Royal Bank of Canada group, is introducing two UK authorised unit trusts.

Called RBC Select Growth Trust and RBC Select Income Trust, they will invest primarily in UK equity markets although up to 20 per cent of the total funds may go into overseas markets. London stockbrokers, Kitcat & Aitken, will shortly also become a subsidiary of the Royal Bank of Canada and they will be providing the investment expertise for the new UK based unit trusts.

However the real innovation is the simultaneous launch by Western Trust and Savings, another subsidiary of the Royal Bank of Canada, of a cash withdrawal scheme called UnitCash. Under this scheme investors in the two new unit trusts will be able to withdraw cash from automated tellers machines (ATMs) in amounts of up to £250 a day with a "ceiling" of 70 per cent of the market value of the units they hold.

Western Trust is a member of the Link money machine consortium, which has about 175 automated cash dispensers throughout the country, but plans to add a further 700 machines by the end of the year and reach a total of 1,100 dispensers by the end of 1987.

Since it is a secured loan, against the value of the investor's unit trust holdings, the rate of interest charged will be well below that imposed by clearing bank credit cards using automated cash dispensers, such as Access and Barclaycard.

The Unitcash borowing cost is 20.3 per cent APR annual percentage rate) as compared with 26.8 per cent charged to users of Access and Barclaycard.

The Unitcash interest rate is not particularly competitive when compared with normal secured loans from a bank, which range from 1 per cent to 7 per cent above base rate according to your credit status and relationship with your local bank manager.

However, it does provide a oportunity to obtain unforseen cash requirements instantly with no questions asked

The Royal Bank of Canada already has over $100m under management in its offshore funds. But the new UK based unit trusts, and cash withdrawal schemes, are described by Christopher Chataway, chairman of Orion Royal Bank Trust Managers, as the first of a series of initiatives to expand its activities in Britain together with Kitcat & Aitken.

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THE FINAL few weeks of the financial year is when most self employed people get down to considering their pension arrangements, and what contributions should be made for that financial year.

To encourage them to settle their pension affairs, a number of life companies are making bargain offers available from now until April 5.

Crown Financial Management is offering extra unit allocation on both regular and single premium contracts taken out now.

For annual premiums between £500 and £1,000 (or the monthly equivalent), 3 per cent extra units will be added. For annual premiums of £1,000 or more, an extra 5 per cent will be given — effectively abolishing the bid-offer spread.

Single contributions will attract an extra 1 per cent.

Scottish Mutual Assurance Society is giving an extra 1 per cent allocation on all premiums for all linked individual pension contracts.

Scottish Widows is also offering an extra 1 per cent higher unit allocation or 1 per cent on the guaranteed cash value on traditional contracts.

BUILDING SOCIETIES were unusually quick to cut their mortgage rates this week after the fall in interest rates encouraged by the Budget. Almost immediately after the main clearing banks announced a cut in base rate from 12.5 to 11.5 per cent, Abbey National and Halifax, the two leading societies, lowered their rate for all mortgages to 12 per cent. Several other societies quickly followed.

The rates change is being used as an opportunity, by those societies which have not already done so, to remove the differential previously charged on endowment mortgages following the trend set by the banks before the Budget. This means that while the basic rate has come down by 0.75 per cent, the cost of endowment mortgages has dropped by a larger percentage depending on the premium charged previously

The Chester family viewpoint

The gilt rubs off the gingerbread

"WE'LL ALL have to start being nicer to grandfather and grandmother," said David Chester jokingly to his daughter at the Chester family's post-Budget breakfast.

His wife Elaine frowned, but Helan hia daughter wanted to know wby. Well, David explained, that nice Mr Lawson has abolisbed the Capital Transfer Tax that people used to have to pay on any gifts they made while they were still alive. Now there will be a positive incentive to make lifetime gifts since lax will mainly have to be paid after someone dies.

"Don't be so coldblooded. Your father is very fit and healthy, and my mother needs all her money just to get by," complained Elaine. "I cao't sec either of them being able to afford to give aoything away at this stage when they don't know how long they're going to live for."

"I was only joking," David said, "I don't expect we'll henefit much. In fact we could be worse off according to the accountant I was talking to last night. In spite of a new name inheritance tax is really just going back to the old estate duty system, and it could he a hit of a douhle-edged sword, particularly for the medium or fairly rich people who are reluctant, or afraid, of giving away their assets while they're still living.

"Under Capital Transfer Tax you could use various ingenious schemes to pass over a lot of your assets tax-free but retain the income and even control of the assets. You won't be able to do that any longer, so you have to make up your mind either to give something to your relations or frienda irrecoverably or keep it just in case something goes wrong or you live much longer than expected. It just depends on how much you love and trust your beneficiaries.

"As usual it looks as if it is the really rich people, wbo can afford to give away large wads of money and still live comfortably, who may benefit most. I het they'll be in a great rush to start passing on tax-free benefits to their heirs as soon as possible just in case a new government changes back again.

"However Robert reckons that the insurance companies will soon think un some new ways round to replace the present inheritance trust schemes.

"It hasn't been too good a Budget fnr the insurance companies—as if I care." David added. "Robert saya they could also suffer from another major surprise move—that new Personal Equity Plan. People may well be encouraged to buy shares instead of unit-linked endowment and life policies.

Just as Elaine and Helen were startiog to get a bit restless, David's other brother Bernard turned up offering to give Elaine a lift to work on his way up to the City. He was smiling and David assumed it was Budget eupboria following the Chancellor's declared inteotion to create a nation of shareholders.

But Bernard was not enthusiastic. He claimed the cut in stamp duty would not belp mucb especially as new investments had been brought intn the net. He was critical about the PEP plan. Bernard noted that although the Cbancellor comparad it with the Loi Monory plan in France, it is really quite differenl.

Under the French scheme, investors are able to deduct the admittedly modest allowance of FFr 5,000 (about £500) a year from their taxable income—rather like the investment retirement account scheme in tha US. Mr Lawson's scheme is different. You are simply allowed tax-free treatment on the proceeds of investing up to £200 a month, or £2,400 a year, in shares. When you work it out that is not much.

The dividends on £2,400 worth of shares will he very modest, so the income tax saving will be pretty small—less than £50. At the same time the investor already gets exemption from capital gains tax on profits made up to £6,300. So for small investors in particular the administrative costs of running the PEP could exceed the benefits.

It may be of some use to investors, who have already used up their capital gains tax exemption allowance. Otberwise it may take many years for a worthwhile saving to be built up and meanwhile the new investor is likely to he going into tha stock market on the most favourable terms.

The Chancellor may be right in claiming it as a radical new scheme. But the tax-free lure could be dangerous in persuading unwary investors to take their money out of building societies or bank accounts into shares which can be pretty risky. "Unless the new regulations planned to protect investors work really well, there could be a lot of trouble ahead especially if stock market prices suddeoly take a dive," said David.

"I would have thought the person most pleased by the Budget is your sister Bridget. She's always going on about giving more to charity. Now we'll all be able to do so, and what's more so will companies. About time too."

Bernard was pleaaed about the move to extend the Business Expansion Scheme indefinitely and abolish capital gains tax on the first profits madc. He admitted they would be even riskier investments now that the asset-hacking has been reduced and things like wine and antiques banned.

David was depressed. The Budget had sounded so good initially and now some of the gloss had worn off. The stock market might be booming, but the only really helpful thing for his business had been the cut in interest rates. He was not sure where all this extra money for sure-fire investments and charities was coming from.

It seemed likely that the car was going to cost more to run, whatever Mr Lawson might say and the taxalion cuts didn't appear to amouot to much, in just keeping up with inflation. Fortunately the cut in interest rates would more than offset the rise in mortgage rates resulting from the income tax cut reducing relief.

He felt a twinge of sympathy for Robert, who had tried and failed to give up cigarettes on many occasions in the past. Perhaps be ought to phone and suggest going out for a celebratory drink—at least that wouldn't be costing more.

John Edwards

Highlights of the Budget

INCOME TAX: Basic rate cut by 1p in the £ to 29 per cent. Main thresbolds and allowances raised by 5.7 per cent. Income bands for higher rates lifted by £1,000.
CAPITAL TRANSFER TAX: Abolished on lifetime gifts to individuals. Tapered charge on gifts made within seven years of death. CTT to be renamed inheritance tax.
SHARE OWNERSHIP: Investments of £200 a month (£2,400 annually) from January 1987 can be kept in special Personal Equity Plan accounts tax-free.
BUSINESS EXPANSION SCHEME: To be extended iodefinitely, but companies with more than half their net assets in land and buildings, or investing in objects (like fine wine) with rising values will be excluded. Companies chartering UK registered ships included. First sale of BES shares exempted from capital gains tax.
STAMP DUTY: From October 27 (date of the Big Bang) will be cut from 1 to 0.5 per cent on share transactions, but will be extended to cover more transactions.
VAT: Threshold up by £1,000 to £20,500.
CHARITIES: Plans for tax relief to be given on donations of up to £100 a year deducted from individual employees' pay. Also for public companies on one-off gifts up to maximum of 3 per cent of annual dividend. Several reliefs on VAT for charities.
PENSIONS: Statutory provisions to replace Inland Revenue discretion in dealing with company scheme surpluses. Proposals later this year to give personal pensions the same tax treatment as retirement annuities.
EMPLOYEE SHARE SCHEMES: Made easier, but certain loopholes closed.
TRAVEL EXPENSES: More favourable tax treatment for UK employees working abroad; expatriate employees in Britain; and self-employed with businesses carried on wholly abroad.

Life in the old bull yet

BUDGET

The stock market has greeted the Budget with enthusiasm and shares have risen accordingly

THE STOCK market has already reacted gleefully to this year's Budget, and to the cut in interest rates that followed it on Wednesday. Both gilt-edged Government bonds and company share prices have raced upwards.

After the continuous bull run in the equity market, some stockbrokers are showing faint signs of nerves. They find it difficult to justify current share prices in relation to companies' actual and expected profits, even with lower oil prices and falling inflation likely to boost earnings in 1986 and 1987. But it is difficult to give a convincing reason why the upward charge should slop yet.

"There is nothing in tbis Budget for the bears," comments Mr Kenneth Inglis of London stockbrokers Phillips & Drew. "And with high cash balances still proving oppressive for many fund managers, the chances of a major downward break in the market look remote. There's life in the old bull yet."

Over at Rowe & Pitman, the mood is more buoyant. "Our bullish position on the market is reinforced by an unusually realistic fiscal Budget, which incorporates a hoost for consumers. We remain confident that the FT All-Share will rise to over 900 by summer 1987."

And Hoare Govett believes the All-Share index will put 900 behind it by the third quarter of 1986.

For the gilt-edged market, most brokers are similarly confident. The Chancellor said in his Budget speech that he saw inflation falling to 3½ per cent by the end of this year, and after Wednesday's cut in bank base rates and mortgage rates he held out the prospect of further cuts in interest rates.

In addition, by naming a lower than expected figure of £7bn for Government borrowing in the 1986-87 financial year he helped to allay the gilts market's fears that it would be swamped by a wave of new issues of stock.

"This Budget underpins the recent rise in the gilt market," says Mr Andrew Smith at Laing & Cruickshank. "The fundamentals are unchanged—low inflation and falling short rates—and although these were to some extent discounted we believe yields will fall further this year."

The details of Mr Lawson's Budget have brought immediate gaios to some sectors of the stock market, and equally immediate losses to others. The most obvious loser was the life assurance industry. The Pru's share price fell 18p on Budget Day as investors expected the Chancellor's new Personal Equity Plans to eat into insurance companies' regular savings business. But this could cut both ways, since life companies are obvious candidates for managing PEPs.

Worse hit, perhaps, was Legal and General. Its Capital Preservation Plan accounted for two-thirds of its single premium unit-linked business last year and could be hit by the abolition of Capital Transfer Tax on lifetime gifts.

Sectors that benefit from the Budget include:

Banks: Not only do they escape the financial services tax that seemed to be threatened, but they also stand to gain business from the Personal Equity Plans. "Be greedy," says Rowe and Pitman "Resist taking profits."

Drinks: No duty increase for beer, wine and spirits is obviously good news, although the effect on market sentiment is out of proportion to the actual impact on earnings, according to James Capel. More important, Capel says, is the effect of the Budget on disposable income and consumer spending, which should henefit the consumer area.

Stores: Again consumer spending is the key. "We believe the underlying economic factors will maintain interest in the sector," says Laurie Milbank, "and the ensuing flow of good news including legalised Sunday trading should keep the sector moving abead of the market."

Metal bashing. Not the most obvious beneficiary, the engineering sector stands, nevertheless, to gain more than most from the Chancellor's moves to stop company pension funds from building up huge surpluses. Phillips and Drew picks Birmid Qualcast and Babcock International as likely to win out from a pension contribution holiday.

Oil. Not an immediate winner, though Mr Lawson's rejection of production cuts is welcome. But brokers pick the oil companies as possible winners from the introduction of PEP investments. PEP gives only a tiny amount of real tax relief, but the small bonus of being able to reinvest dividends free of tax means high yielding shares will be popular. Some of the highest yields of the lot are oil companies like LASMO (12.3 per cent), Britoil (9.8 per cent), Enterprise (8.2 per cent) and Ultramar (8.6 per cent).

A note of caution creeps in, however, when the City's economists pore over the Treasury's forecasts on inflation. Mr Lawson says it will drop to 3½ per cent by the end of the year.

George Graham

Stamp duty

Forward to Big Bang day

IT WAS a better Budget for players of the equity market than housebuyers. Anyone spending more than £30,000 to acquire a home will still be caught for 1 per cent stamp duty: but from October 27—Big Bang day in the City—the duty payable on share purchases will be halved to 0.5 per cent.

The cut, not wholly unexpected, was accompanied by a widening of the duty net scooping up areas—such as trading shares in the stock exchange account—that until now had escaped the oldest tax in the land. Mr Lawson has also put paid to the efforts of stamp duty planners who have been reducing the costs of takeovers by playing with the target company's share capital. In fact, he is capitalising on the present hectic level of takeover activity by imposing the duty on takeovers and margers in general.

The dropping of the duty rate is an obvious plus factor for anyone who invests, although not for those who make themselves busy trading in and out of equities within the same account to avoid paying for their shares.

The important changes as far as small shareholders are concerned are as follows.

● Until now, letters of allotment which have been issued against new shares—when a company joins the stock market or makes a rights issue, for example—have been traded free of stamp duty. After the Big Bang, stamp duty will have to be paid when the allotment letter is exchanged for shares if the person is not the original investor who was allotted them.

● Similarly, the 0.5 per cent duty will become payable on all share transactions after October 27. In practice, stamp duty has been payable only when the transaction has been evideoced in writing and where the share register is kept in this country. Therefore, the punter taking a short-term view has been able to buy and sell a share within the stock exchange account period without payment of duty. There are exemptions, such as gilts and traded options, but for the most part a buyer will soon be paying stamp duty even if shares are held for just five minutes.

● The other important change is that transfers of loan stock will be subject to 0.5 per cent duty immediately. Until now, most loan stocks had been exempt. Again, there are some exemptions: gilts, those in bearer form such as the type dealt on the Eurobond market, and those stocks with a life of less than five years. So the poouiar short-dated local authority bonds, the yearlings, will remain free of duty.

The imposition of duty on trading within the account is obviously the most important feature for many active shareholders. However, an extra 0.5 per cent on the cost is unlikely to deter speculative trading. Of course, after the Big Bang commissions are in the melting-pot: but for the moment the cost structure benefits short-term trading.

Taking deals in the £1,200 to £7,000 range, commission is now charged at 1.65 per cent plus VAT; 1.8 per cent in all. If the investor buys and sells within the account, he just pays the broker 1.8 per cent commission and that is that. If shares are bought in one account and sold in the next, the commission cost is doubled and the present 1 per cent stamp duty is payable, lifting dealing costs to 4.8 per cent.

Adding 0.5 per cent to the cost of the account trading and decreasing the "long" term investor's costs by a similar amount does not dramatically alter the arguments for account trading which, in all honesty, turn on the investors' reluctance to pay for the stock bought.

Terry Garrett

Inheritance tax

Mixed blessing for families

THE introductioo of capital transfer tax (CTT) in 1974 was regarded as a disaster by those who were planning to pass on some of their wealth to their children. However, this week's abolition of CTT on lifetime gifts, and its replacement with an "inheritance tax" modelled on the pre-1974 estate duty, is a mixed blessing. The Budget reforms have several stings in their tail.

You have to survive seven years after making a large gift to avoid the tax completely — and at least three years to pay tax at a lower and diminishing rate. Equally important, the traditional strategem of making a gift with strings attached, so that you can retrieve the assets if necessary, will no longer be possible. The Government is introducing tough new provisions to close the CTT loopholes. This will undermine the effectiveness of the present off-the-shelf CTT avoidance schemes and remove most of the attractions of trusts in tax planning.

For the wealthy — those with estates approaching £1m or more — the abolition of CTT has considerable attractions. They will now be able to give away a large part of their wealth tax-free. For families with more modest estates the benefits are less clear, particularly as the new tax, like CTT, will start to bite on any estate worth more than £71,000.

Already, insurance companies have withdrawn the main types of CTT avoidance plans they were marketing. These were the discounted gift schems, of which the most popular was marketed by Legal and General, and the "inheritance trusts," which made use of interest-free loans. The present value of assets in these plans is estimated at between £1.2bn and £1.5bn.

If you put some of your money into such a plan before Budget day, you should leave it there. Post-Budget, such a transfer would be considered a gift with reservation and would therefore be ineffectual. If you withdraw the money with the intention of giving it away again later, you will have to do so unconditionally and then survive for seven years to avoid the new inheritance tax.

Those are the two pitfalls now confronting everyone. The first, the risk of your heirs confronting a hefty tax bill because of your premature death, can be eliminated by the use of life insurance. The difficulty will be in estimating how much tax your heirs will have to pay.

A revival is expected in the types of term insurance contracts marketed in the days of estate duty. They could, for example, guarantee to pay all your estate duty if you died prematurely up to a maxium level of cover specified by you. A more flexible type of contract, now being considered by Trident Life, would allow you to vary the amount of cover from year to year, according to your estimates of the value of your estate. Any surplus element from your premiums, which was not allocated to cover the risk of death each year, would be invested and returned to you after seven years.

FIRST OFF the mark with a new financial product in response to the Budget was the merchant bank Hill Samuel. Its Lifetime Gift Plan provides insurance against premature death after making a large gift for a term of seven years. The amount of cover falls progressively over the seven-year term in line with the potential tax liability.

A much thornier problem will be to decide if you can afford to give away irrevocably a large part of your wealth long before death is staring you in the face.

In the past, the simplest solution was to put your assets into a trust and appoint some faithful cronies and professional advisers as trustees. But the purpose of the new legislation is clear: to stop people making "gifts" for tax purposes while retaining effective control over the ultimate destination of the gift.

The new legislation will attack the use of all trusts, except for accumulation and maintenance trusts used for children and youngsters under the age of 25. Only gifts made directly to these trusts, or to individuals, will be free of the lifetime tax charge. Gifts into other trusts will be subject to standard CTT charge. In addition, if you or your spouse retains any rights to benefit from the property you are giving away, the gift will be ineffective for tax purposes and added back to the value of your estate when you die.

Thus, the discounted gift plans, which give the donor the right to the income from the property he had given away until his death, cannot survive. The same goes for inheritance trusts, which give the trustees the right to switch the trust property back to the donor.

Wha is less clear is whether you will be able to use a modified form of inheritance trust which specifically excludes you and your spouse (although not necessarily your widow, after your death) from the list of beneficiaries.

This would preserve several of the attractions of the inheritance trust. You could disinherit a child with whom you had a bust-up by switching (through the trustees) his trust property to someone else. Also, by making an interest-free loan to the trust, rather than a straight gift, you could recall the money at any time should the need arise.

Stuart Chapell, of accountant Neville Russell, suggests a further possibility. You could provide for the trust to be wound up and the trust property handed back to you if some contingent event occurred.

Note that gifts will only be ineffective under the new rules if the donor is exclnded from any benefit from the property. Thus, the gift of a house from father to son will be ineffective if the father continues to live there. But if the son sells the house and, later, helps out his father financially, the Inland Revenue is unlikely to probe too deeply into whether there was any informal understanding between the two at the time the gift was made.

Some people will doubtless decide they have sufficient wealth to be able to give part of it away early without taking any risks. This might apply in particular to shares in a family business after retirement.

If you are in that happy position, be sure to make a move before the next election. It is highly likely that a further Labour, or even Alliance, government would re-introduce some form of capital transfer tax. And if the new tax incorporated the tough anti-avoidance measures now being introduced by the Conservatives, it would bite much more deeply than its predecessor has done over the past 12 years.

Clive Wolman

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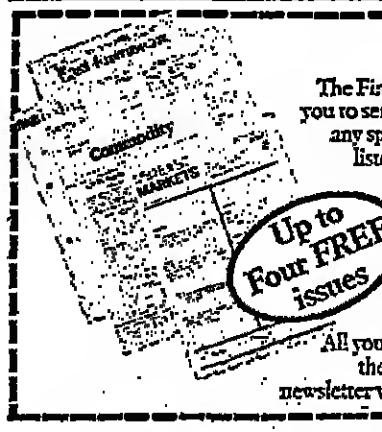

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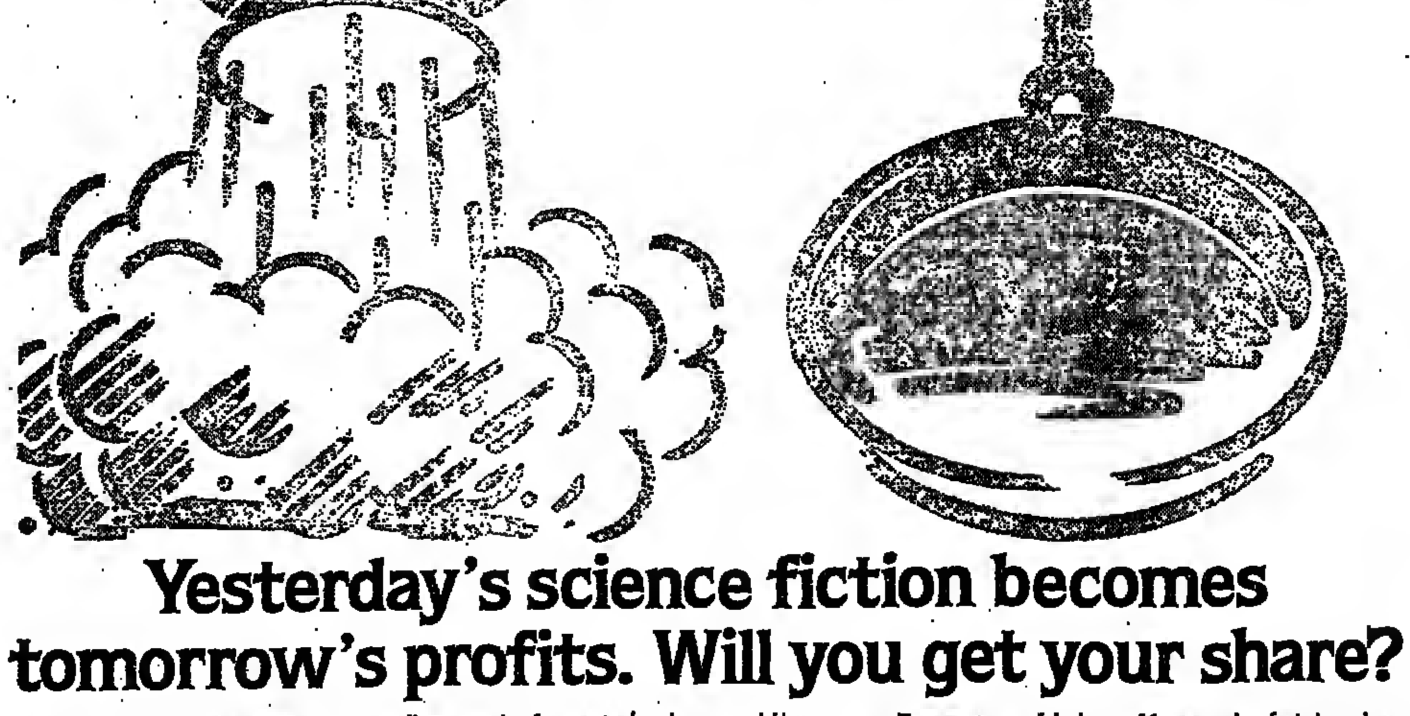

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by Alan Kelly, Partner, Grant Thornton

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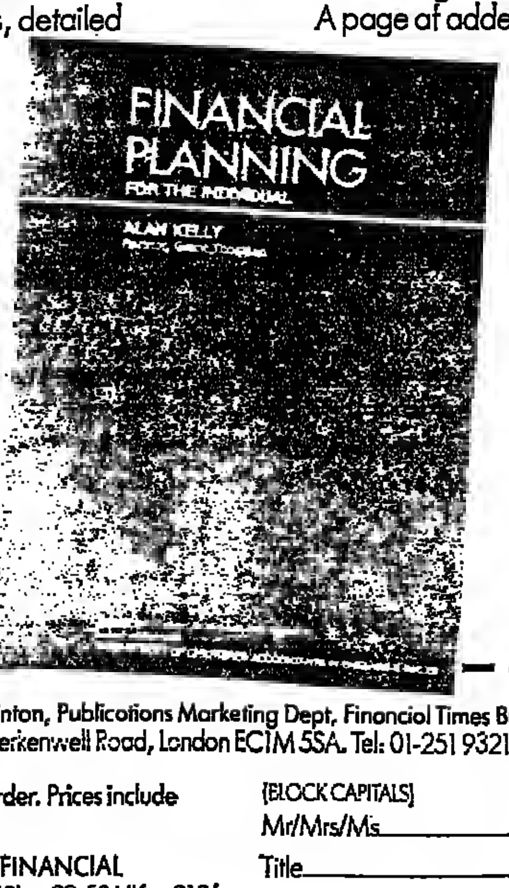

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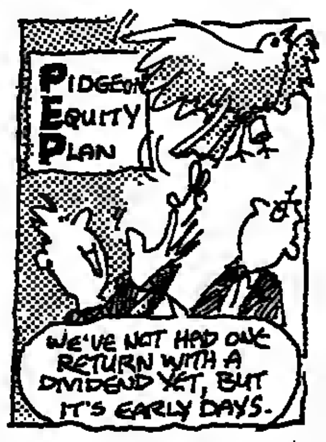

MARKETING managers throughout the savings industry were enthusing this week over Chancellor Nigel Lawson's plan to lure small investors back into the equity market through so-called Personal Equity Plans.

"It brings the Big Bang into the High Street," claimed an executive at one of the top clearing banks, busily plotting how to combine the investment expertise of a newly acquired stockbroking firm with the marketing muscle of thousands of bank branches.

However, some savings executives were worried about how they could possibly make profits out of running PEPs which could be uneconomically small, at least in the early years. And the Unit Trust Association was preparing to mount a protest about being left out of the fun, because PEP investors will have to buy company shares directly through the stock exchange.

Phrases such as "popular capitalism" and "share-owning democracy," which rolled off Nigel Lawson's tongue on Tuesday, made it clear that the PEP scheme has a very political motivation. It is designed to give people a direct personal stake in British business and industry, and reverse the trend for people to invest through institutions such as pension funds and unit trusts.

The clear danger in such circumstances is that politics might distract attention from the fact that the primary objective of investment is to make money.

Any investment adviser will tell his client that prudent equity investment requires the purchase of a number of different stocks (to give a spread of risk), each of a reasonable size so that dealing costs will not be proportionately too large. It is going to be almost impossible to meet these criteria in respect of PEPs in the first few years, given that the annual limit on investment is to be £200 a month, or £2,400 a year.

Briefly, the scheme will allow a formal relationship to be set up between an investor and an authorised PEP manager—which could be a stockbroker, a bank, a licensed dealer, or some other kind of financial institution which has set up the appropriate facilities.

Monthly or annual instalments will be invested in UK shares, listed on the stock exchange or traded on the USM. The investor will have the option of handing over discretionary control of his portfolio to the PEP manager, but the investor must always have beneficial ownership.

The tax benefit arises because 29 per cent Advance Corporation Tax can be claimed back on the dividends by the PEP manager; moreover, the investor is not liable to higher rates of income tax on the dividends. Also, capital gains tax does not apply to switches within the plan, or to the profits on ultimate termination. A PEP will, therefore, be a tax-free roll-up scheme.

Paul Bateman, development director of the Save-and-Prosper Group, was fuming about the exclusion of unit trusts, but nevertheless was confident that S & P would be ready to put something on the market.

Last year, S & P bought the private client section of medium-sized stockbroker Montagu Loebl Stanley, partly because of the chance that a wider share ownership scheme would be promoted by the Government.

"Our objective would be to devise a scheme which would work down to £50 a month," said Bateman. He was not yet sure if this could be achieved, but a £100-a-month plan was certain to be economic.

According to Bateman, the tax-free roll-up aspects of the PEP arrangements would be a good selling factor. But it would not be economic to sell PEPs through salesmen, and it would be necessary to use direct mail shots and, perhaps, joint deals with banks and other organisations which had retail chains.

Fred Carr, of stockbroker Capel-Cure Myers, thought the PEP scheme was a "great idea" but had doubts about the economics. "It's difficult to know how profitably we are going to be able to serve this sort of market," he said.

He was concerned about the need to look after clients: "You have a moral obligation to monitor your clients' investments." The danger was that the PEP arrangements would let in what he called the "dial and smile" species of licensed dealers who might not be too scrupulous about churning their clients' portfolios.

The big investment and insurance groups are generally reacting cautiously. "It's an interesting newcomer," said Joe Palmer, chief executive of Legal and General.

Like most potential PEP managers, L and G was concerned about the high costs of the first year or two. And although PEPs could build up to something worthwhile within a few years, there was then the risk that clients would move them somewhere else just when they were about to start making money for the original manager. Life offices like more security than that.

The stage is now set for consultations with the savings industry, as the fine print of the PEP scheme is worked out in time for the first investments to be made at the beginning of January 1987. It is not clear, for example, if PEPs will be allowed to buy investment trusts (which are very similar to unit trusts in concept).

From relatively small beginnings, the PEP scheme could grow considerably over the years. A married couple could put in £4,800 a year; with reasonably compounding, that could swell to more than £30,000 within five years and around £75,000 after 10.

But will small investors be able to play the stock market? Probably not for quite a while. They can expect PEP managers to insist on maintaining discretionary control over the portfolios until the accounts grow quite large—perhaps to £20,000 or more. Only then will PEP investors enjoy the free run of the market place.

Barry Riley

BUDGET

Pensions

Homes for the workers

THE CHANCELLOR has given the green light for pension mortgages to employers. That was the message being given by at least one top life company executive after the Budget.

This claim is based on a short remark by Mr Lawson in his speech: "I intend later this year to publish detailed proposals designed to give personal pensions the same favourable tax treatment as is currently enjoyed by retirement annuities."

These pension contracts, mainly for the self-employed, allow investors to take about one quarter of the accumulated value in a tax free lump sum. This forms the basis of pension mortgage schemes for the self-employed—a method of repaying a mortgage that is highly tax efficient and thus popular.

Interpreted literally, this statement means that employees coming out of their company scheme and taking a personal pension plan can use it to repay their mortgage on the same tax efficient terms as the self-employed.

However, the commutation of personal pensions is not solely the prerogative of the Inland Revenue. The Department of Health and Social Security is concerned at least with that part of the pension secured by the minimum contribution. This is regarded by the DHSS as the Guaranteed Minimum Pension (GMPs), equivalent to the pension provided by the State Earnings - Related Pension Scheme (Serps) and is thus not commutable.

Only the pension secured by contributions above the minimum will be available for commutation into a tax free lump sum. Nevertheless, the potential for pension mortgages by employees using personal pensions is considerable.

However this statement does not clarify one essential feature concerning the tax treatment of personal pensions. Under a self-employed pension, contributions are paid gross to the life company; the self-employed reclaims the tax relief on his or her tax assessment.

On company pension arrangements, the employee has his pension contributions deducted at source; the tax relief is credited automatically.

It would be administratively convenient for contributions to a personal pension to be paid net of basic rate tax—a Miras style arrangement. A point for the Treasury to bear in mind.

Eric Short

Charities

Incentive to give more

HIDDEN in the small print of this week's Budget was a tax provision which could boost donations to charity by one particular group of possibly affluent people—directors and shareholders of private companies.

The Chancellor briefly indicated in his speech on Tuesday that he was abolishing the £10,000-a-year upper limit on covenanted donations for which individual taxpayers can claim higher rate income tax relief. Charities, which can claim back the tax and so add to the value of the gift, would benefit if this brought forth larger donations from the wealthy.

This announcement by Mr Lawson attracted much less comment than his other moves to help charities. Few charities expected to gain much from the abolition of the £10,000 limit—because only a handful already receive individual covenanted gifts remotely approaching £10,000.

There was, however, some logic to Mr Lawson's move — even if it was concealed beneath the technical language of an Inland Revenue press statement.

The real thrust of Mr Lawson's move will probably be towards removing a tax anomaly which has arguably treated charitable donations by private companies less favourably than those made by public companies.

Under tax legislation passed in the early 1970s, most companies can enter into covenants for four or more years in favour of a charity and then deduct from the annual payments income tax at the basic rate applying to individuals. The charity then reclaims the tax from the Inland Revenue. The after-tax cost to the company is the gross amount of the gift less corporation tax.

The problem is that some companies—known as "close companies"—are affected by special rules aimed at preventing tax avoidance by their directors and shareholders.

A close company is defined as a company controlled either by five or fewer participators (which normally means shareholders), or by its directors. Under the 1972 Finance Act, a charitable covenant paid by the company may have to be "apportioned" — or divided equally — among its participators.

This means, in effect, that the covenant is treated for tax purposes as part of each individual's tax assessment — with the result that a gift made by the company could take the individual participator over the £10,000 limit on the covenanted donation for which he can claim higher rate tax relief.

By removing the £10,000 limit, Mr Lawson has taken away a possible disincentive for gifts by companies and their directors and shareholders — giving them added scope for tax-efficient donations.

Nick Bunker

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Business Expansion Schemes

Back where it ought to be

IN LAST WEEK'S Spectator, Nicholas Coleridge wrote about the *jeunesse dorée* of the City, their shiny sports cars, company plastic and talk of "Philip's BES scheme for importing retsina" and the £250,000 he raised over "three lunches at Sweetings."

Philip's retsina days are over. In Tuesday's Budget, the Chancellor as everyone expected, weeded out the most obvious abuses—fine wines, art, antiques and asset backed ventures—from the business expansion scheme. But he also implemented radical changes to investors' rights under the scheme, which will transform its potential as an investment opportunity.

The scheme's original attraction to investors was that it offered generous tax advantages. Unsurprisingly, Peat Marwick Mitchell's report on the scheme found that 73 per cent of investors were attracted to it because of the tax benefits, while just 10 per cent invested to secure a high return.

By abolishing capital gains tax on the first sale of shares purchased under the scheme, the Budget has given investors a real incentive to plump for issues with high growth potential and has made it much more difficult for the more nebulous schemes to raise capital in future.

By redefining the business expansion scheme as an investment opportunity, rather than as a cunning tax wheeze, the Chancellor is likely to encourage a wider range of investors to use it.

Thus far, the scheme has been dominated by affluent investors. Although Peat's report found that it has attracted some investors on the basic tax rate, 75 per cent have been drawn from the top tax bracket.

"In the past, the business expansion scheme has been viewed as a slightly unsound investment for high earners who are more concerned with tax relief than with the success of the business," said Mr John Hustler, a partner in Peat Marwick Mitchell who specialises in venture capital.

"By omitting capital gains tax, the Chancellor is at least rewarding investors in successful businesses. This is bound to increase interest in the scheme and to attract investors from lower tax brackets."

The abolition of capital gains may also, inadvertently, encourage investors to withdraw from scheme-funded companies as soon as they can, after five years, to channel their capital into another tax deductible venture.

Deciding whether or not to withdraw will doubtless depend on balancing the relative merits of the business potential of the investment with the tax benefits to be gleaned elsewhere.

Select Appointments raised £400,000 through the scheme in late 1983. It has bought itself out, of one of the Electra funds, for £1.3m, which represents a combination of compensating investors for their lost tax relief and some return on investment in a company which has expanded rapidly thanks to their launch capital.

The Budget tempered the introduction of investor incentives with the exclusion of the types of issues which are least empathetic to the scheme's original job creating, entrepreneurial ethos.

Hotels, fine wines, farms, art and antiques may be incompatible with the spirit of the scheme, but these asset-backed issues have found favour with investors. In Peat's research 38 per cent of investors cited "asset backing" as the most important criterion for choosing an issue, while just 24 per cent plumped for the company's track record. And on Budget Day investors scrambled to subscribe in "proscribed" issues before the deadline of midnight.

By steering the scheme back towards its entrepreneurial roots, the Budget has accentuated the high risk nature of its issues and may also encourage investors to opt for funds — which spread the risk over a portfolio of scheme ventures — rather than for direct investment in individual companies.

When the scheme first surfaced investors tended to favour funds. In the first year, according to Peat's report, 29 per cent chose funds, 38 per cent direct issues, while 33 per cent, generally those in the top tax bracket, plumped for both.

The report did identify abuses, but it cited enough benefits—4,000 jobs created in the first year through an investment of £105m in more than 70 companies and a new generation of investors introduced to venture capital—to ensure that the scheme emerged, not only unscathed, but in a new, more dynamic guise.

Inevitably, new abuses will emerge. But by empowering the Government to weed out abuses on an *ad hoc* basis, rather than by waiting for the next Budget, the Inland Revenue should be able to monitor the scheme more rigorously.

"All the Budget has done is to put the business expansion scheme back where it should have been all along," said John Hustler.

Alice Rawsthorn

Hot-line advice

A HOT-LINE telephone service offering free advice on the Budget, and what action you should take before the end of the financial year, has been organised by the Institute of Chartered Accountants.

More than 300 accountants in nine centres throughout England will be staffing telephones to provide businesses and private individuals with free financial advice. The lines will be open from 2-7 pm, from March 24 to 27 and again during the same hours from April 1 to 4.

Chartac Moneyline, as the service is called, is an extension of the pilot scheme operated by the Institute's London Society last year, which received more than 1,200 enquiries. This year, volunteer chartered accountants from local district societies will be answering direct line phones in London (256 5312); Liverpool (236 1235); Manchester (228 7846); Newcastle (320312); Leeds (445087); Wolverhampton (50733); Bristol (293922); Brentwood (211825); and Maidenhead (29955).

Tax changes

Jam next year

BUDGET

THE EFFECT of the changes in the Budget taxation proposals range from removing a married couple with a single £70.29 a week earner from the income tax system (having £60 in 1985-86) to a maximum saving of £592 for a couple with income in excess of £43,855. The real position, however, is less straightforward.

To start with, a couple with income of £70.29 per week last year would need to have increased that income to £74.30 per week this year to have maintained the real level of their income. Their tax bill in 1986-1987 at that income level will be £60.50, in absolute terms more than the tax paid in 1985-1986, but in real terms less. Tax as a proportion of income has in real terms declined by a mere 0.1 per cent.

This decline is attributable to the only real income tax reduction provided by the Chancellor, the cut in basic rate.

At the £8,000 income level, tax as a proportion of income has declined in real terms by 0.7 per cent for single persons and 0.5 per cent for the married couple with a single earner.

The maximum saving (allowing only for personal reliefs) is for married couples (single earner) with income in the range of £20,855 to £23,855 and for single persons with an income in the range of £19,535 to £22,535. For persons around these levels of income, tax as a proportion of income has declined in real terms by around 0.9 per cent.

Had the Chancellor, instead of reducing the basic rate, decided to increase personal allowances by 10 per cent (a 4.3 per cent real increase) the effect would have been reversed: at the bottom end the married couple on £74.30 would have seen their tax as a proportion of income decline by over 1 per cent to 0.41 per cent while the married couple on around £20,000 would have seen a reduction of only 0.3 per cent to 24.2 per cent.

In assessing the change in your financial circumstances for 1986-87, the income tax changes cannot be looked at in isolation. From April 6 the national insurance thresholds are increased.

The lower earnings limit, below which no contributions are due, moves from £35.50 to £38 per week and the upper earnings limit, above which the employee pays no further contributions, from £265 to £285 per week.

The intermediate bands (with contracted in rates of 5 and 7 per cent on all earnings) run from £38 to £59.99 (previously £35.50 to £54.99) and from £60 to £94.99 (previously £55 to £89.99). The highest rate of 9 per cent is payable on all earnings up to the upper earnings limit once earnings exceed £94.99.

If you have a company car, and free petrol, you will also have to consider the increase in the scale benefit charges. A person with a new Ford Sierra 1.6 and business mileage between 2,500 and 18,000 per annum, for example, suffers a basic increase from £525 to £575 in both the car and the petrol scale benefits. Those with children will benefit from a 10p increase to £7.10 per week in the rate of child benefit from July 1986.

Taking account, therefore, of the income tax, national insurance and child benefit changes, and assuming a 7 per cent increase in weekly income since 1985-86, a married couple with two children (where the husband only is in work and contracted in to the State pension scheme) will see their net income rise by 5.8 per cent from £78.03 to £82.52.

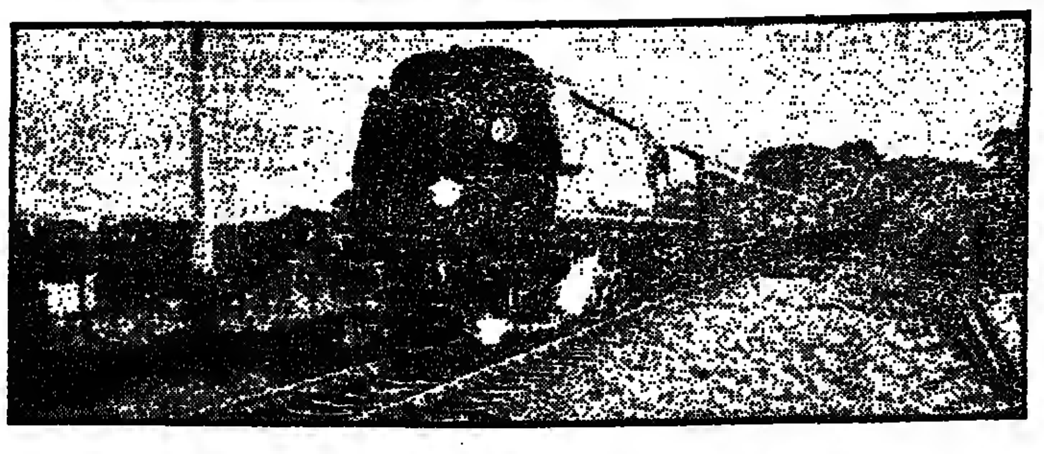
At the other end of the scale a family in similar circumstances, but with a weekly income of £350, will see a 7.7 per cent increase from £255.08 to £274.83. Thereafter the percentage rate of increase in net income declines.

For married couples, both of whom are in work, a wife's earnings election may in appropriate circumstances reduce the combined tax payable. This will depend upon the combined income and the level within it of the wife's earnings. For an election to be beneficial in 1986-87, for example, with a combined income of £26,521, the wife's income must normally be in the range of £6,985 and £19,535.

Clearly the Chancellor's room for manoeuvre this year was severely restricted. The prospects do, however, look bright for next year. Barring accidents or unforeseen eventualities, the jam hinted at for 1987 should be available to spread on the plain bread of 1986.

Malcolm Gammie

• FINANCE & THE FAMILY •



No return tickets

Steam railway enthusiasts may be the only takers of a new share issue, writes Richard Tomkins.

ONE OF the more bizarre share issues of the year has all the makings of an offer you can refuse.

The company involved is asking subscribers to buy shares on which there is unlikely ever to be a dividend and in the absence of an established market, little prospect of selling them at a profit. The only apparent attraction is the perk offered of free travel between two out-of-the-way spots in West Sussex.

However, there is just a little more to the offer. The shares' greatest attractions lie in their sentimental value, for they give holders a stake in the Bluebell Railway—famed for being the first preserved passenger railway in Britain to run steam-hauled trains on a standard gauge line.

The Bluebell Railway Preservation Society was formed in 1959 to preserve all or part of the Lewes to East Grinstead line shut by British Railways the year before. Since 1960, it has operated a year-round service of steam-hauled trains on a five-mile stretch of track between Sheffield Park and Horsted Keynes.

It now has ambitious plans to reopen the 5½-mile section between Horsted Keynes and East Grinstead, where it would then meet up with the British Rail line. This would be an important step towards improving accessibility because at present the Bluebell Railway can be reached only by road.

The Bluebell Railway has gradually built up its rolling stock and fleet of 30 locomotives using cash from rising revenues. However, it now needs to raise money to fund the first stages of its expansion and to meet the cost of building catering facilities for visitors at Sheffield Park.

A company called Bluebell Railway has therefore been formed and the public is being invited to buy up to 1m shares in it at £1 a share. These shares will not be quoted at the stock exchange or on any other market.

The perks attached to the shares will vary according to the number bought. For holders of 100 shares, for example, there will be two free return tickets a year. For holders of 5,000, there will be free lifetime travel on the line for the holder and three guests, four free tickets to wine-and-dine evenings, a commemorative medallion and a brass benefactor plate in the holder's name in the booking hall at Sheffield Park.

Obviously these shares are strictly for steam buffs and all shareholders will receive an ornate engraved share certificate.

However, the absence of any prospects of a dividend does not seem to have been a particularly strong deterrent to potential purchasers of similar issues.

The Severn Valley Railway in Shropshire, for example, launched a £300,000 share issue to finance its own line extension in November 1983. Having later extended the offer it has now sold shares worth £468,000—although it should be noted that SVR's shares are traded under the stock exchange's rule 535 (2).

One final caveat on the Bluebell issue is that the accountants' report contains a qualification common in the case of very small businesses, saying that the auditors have had to take the directors' word for some transactions where alternative confirmation has not been available.

Prospectuses are available from Bluebell Railway, Sheffield Park Station, Nr Uckfield, Sussex TN22 3QL.

Building societies' interest

Bonus for exiles

BUILDING SOCIETIES are gearing up for April 6, the day when they should be able to pay UK expatriate investors interest gross without deducting tax at source.

They were promised they would be able to do so in the 1985 Finance Bill but there has been some last-minute nail-biting because the Inland Revenue has only just given the go-ahead.

A statutory instrument has to be laid before Parliament before societies can start paying expatriates interest free of tax and the Revenue has to issue the necessary documentation enabling deposit holders to declare that they are resident abroad and therefore eligible to receive interest gross.

A Revenue spokesman confirmed that the necessary authorisations will be given before the April 6 deadline. But until it finally did, societies were forced to hold fire with the advertising campaigns planned for the main expatriate magazines and journals.

Building societies are particularly anxious to tap the huge expatriates market. There are estimated to be 2.5m UK expatriates with 150,000 going abroad each year. It is estimated UK expatriates save at the rate of £750m a month.

Building societies already have a small slice of this market. A surprising number of expatriates, particularly blue collar workers, retain their savings, or part of them, with building societies—a throwback to the days when the only way of being sure of getting a mortgage on returning to the UK was to have a savings account with a building society. But the bulk of expatriate savings are placed offshore with banks and mutual funds.

Initially, at least, most societies will approach this new market using their existing accounts, simply paying the expatriate interest gross. Some societies, such as the Abbey National, will concentrate its marketing on one account.

In its case this will be its tiered instant access account, the Five Star Account which pays increasing amounts of interest based on the size of the balances held on deposit.

The Nationwide Building Society plans to launch a special account for expatriates but says that it cannot disclose details until it gets the final go-ahead from the Revenue.

The other three major societies, the Halifax, Woolwich and Leeds Permanent have no plans at present to launch new accounts aimed specifically at expatriates. But this could well change once the market is open to them.

Building societies may also find competition from others already in this lucrative market which will force them to offer their expatriate investors higher returns than the grossed-up rates of the net rates they pay to UK residents.

Societies may also find that expatriate investors are reluctant to deposit funds in the UK preferring to keep their money offshore. Building societies argue that in real terms this should make no difference to the expatriate but concede that there could be a psychological barrier to depositing funds onshore.

Societies like the Abbey National would like to be able to set up subsidiaries in the major offshore centres like Jersey and Guernsey. The main problem is obtaining the necessary operating licences from the host country.

In the Channel Islands this would mean a banking licence to be able to take deposits which are extremely difficult to come by given the two islands reluctance to allow in new entrants to the financial community.

Margaret Hughes

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My daughter's cost of living

My daughter is just starting a mortgage to buy her own small flat.

When I was widowed I legally made her joint owner of our home.

It has always been her main residence, and still will be "home" even when she is living at her flat, and coming home for weekends.

Because this home is always likely to be far more valuable than any property she is buying, it would be better if she could opt for gains tax exemption on this house, rather than on her own property.

Should she inform the Inland Revenue of this decision now?

Would it mean she cannot claim her current tax exemption on her mortgage?

If I should sell this property at some future date and move to a smaller place, then presumably neither of us would pay capital gains tax on our halves of the "profits." On my death my half of this home will pass to her.

It seems clear that your daughter's flat will in fact be her main residence, so she should be entitled to tax relief on the mortgage interest.

In about a year's time, we suggest that your daughter give notice to her tax inspector that your home be treated as her main residence for capital gains tax purposes, retrospectively. This will not affect her entitlement to mortgage-interest relief on the flat.

If your home is eventually sold, your daughter should on the day of the sale contract (not completion day), give notice to her tax inspector that her flat be treated as her main residence with effect from two years before that day. This will mean that neither of you will face a CGT bill on the sale of your home.

The solicitor who is acting for your daughter in the purchase (and mortgage) of the flat will be able to explain our suggestions, and to give general guidance through the tax maze.

A share of the house

My husband's uncle left a will which states that on the death of his wife, the house would belong jointly to my husband and my husband's cousin. We were wondering, as we have need of some cash, if there is any way my husband could sell his share of the house now for a lump sum (with his aunt's permission)?

You may be able to force a sale of the house; but if not you can sell your equitable interest if a purchaser can be found. You should consult a solicitor with a view to getting an order for sale under Section 30 of the Law of Property Act 1925 if a sale cannot be achieved by agreement (and if the cousin will not buy in your husband's interest).

Austrian income

My wife is in receipt of a small income from Austria. This I have declared to the inspector of taxes, who assumes an exchange rate when converting schillings into pounds sterling which appears to me to be unreasonable, ie the number of pounds is too high making the tax to be paid too high.

Please could you inform me of the appropriate exchange rate averages for the following yearly periods, which is how my wife's income is calculated. January 1 to December 31 1982 January 1 to December 31 1983 January 1 to December 31 1984 January 1 to December 31 1985

1981:	31.9.	1981-82:	31.1.
1982:	29.7.	1982-83:	28.6.
1983:	27.2.	1983-84:	26.9.
1984:	26.8.	1984-85:	26.1.

It is a pity that you did not say what sort of income your wife derives from Austria, because that would have enabled us to give you a more helpful reply. If it is a pension, ask the tax inspector for a copy of the free booklet on the taxation of foreign pensions, IR25 (1977). If it is some other type of income — or even if it is a pension—you may like to come back to us, with more background facts, figures and dates.

Rolled-over gains

How do you index a rolled-over gain for CGT?

I bought land in 1970 at £250 an acre and sold for £1,500 an acre in August 1984. I rolled the gain over into holiday flats. When I sell the latter, to what value is indexing applied: the value of the land at 31st March 1982 (which was then in my ownership but since sold) or to the value of the flats at that date (which was 2½ years before I bought them)?

The purchase price of the flats was £54,000 but with roll-over allowed the base price is as low as £2,000 because of previous part-sales of the land. The value of the land at 31st March 1982 was approximately £1,500 an acre. The value of the flats at that date would be difficult to calculate as they had not been up-graded at that time.

It is the £2,000 deemed cost which is indexed (from December 1984). Section 68 of the Finance Act 1985 does not permit you to take the March 31 1982 value (of either asset) into account.

Trading options

Last September I became unemployed and remain so today. I have been a stock market investor for many years but have increased my activity substantially since September, particularly in respect of LSE Traded Options.

I am concerned to know how the Inland Revenue will treat my gains/losses arising from my Traded Option activity, and on what basis they would consider me to be a self-employed "trader." I am also interested to know if there would be any advantage in declaring myself to be so self employed.

It is most unlikely that the Revenue will seek to tax your London traded-option transactions as activities in the nature of trade. It is equally unlikely that they would agree to treat you as a dealer in securities at your request.

A gift to charity

I would like to make a gift to a charity and wonder if it is possible to transfer shares in a quoted company without the charity or myself incurring capital gains tax?

If so, how do I set about it?

Yes. Write to the charity, so that it can make the necessary arrangements.

A wife and gains tax

BRIEFCASE

I am a married man and when I die everything will go to my wife. I hold a number of shares showing good capital gains. On my death will my wife have to pay Capital Gains Tax on these shares on the basis of what I paid for them:

(a) immediately

(b) when she sells them

(c) not at all

Not at all (*). She will be deemed to have acquired them at their market value on the day of your death.

*This is not quite true for some shareholdings in foreign companies (for example Robeco), because of section 92(3) of the Finance Act 1944.

Solicitor's costs

In his Will my father left me some Hong Kong registered shares, and to obtain them my solicitor in this country has had to utilise the services of a Hong Kong solicitor. This part of the winding up of the estate has still not been finalised.

I appreciate that my solicitor's bill of costs for services rendered in this country will attract VAT at 15 per cent, but what is the position regarding the costs incurred in Hong Kong?

IS VAT applied on these as well?

The way to ensure that no VAT question can arise is to arrange that the Bill from Hong Kong be submitted to your father's estate and not to the UK solicitor.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Making a will

A tale of two couples

MANY PEOPLE regard making a will as a bad omen and avoid thinking about it, without appreciating what the consequences may be. But it is worth thinking about the rules governing intestate estates for married couples with high value assets.

Two true stories illustrate the problems that can beset the widow of a successful but intestate man.

John and his wife Margaret were both career-minded. They had no children and relied on extensive entertaining to make their business lives flow. So they had been fortunate when John's father left him the family house, a small but very attractive property in the heart of London. John's sister was left a small country cottage, which she considered unfair.

The house was passed to John by the executor and he never really thought about personal ownership so far as he and Margaret were concerned. He had also arranged a pension scheme for himself, partly to save for the future to save tax, and made no special arrangements for payments in the case of his early death. If any thought of making a will crossed his mind he dismissed it with the thought that his wife would get everything anyway.

At 38 John died of a sudden heart attack and his estate fell to be administrated under the intestacy rules.

Margaret was horrified when her solicitor explained them to her. As the deceased's spouse she was entitled to all his chattels including his car, and to £85,000 with interest until paid, plus half of the residue absolutely. As John's parents were both dead and he had no brothers, his sister was entitled to the other half.

John's estate consisted of the house, valued at £215,000, his pension refund, which amounted to £45,000, plus investments and cash of £11,000; a total of £271,000. Margaret was therefore entitled to £85,000 plus half of £271,000, minus £85,000, a total of £178,000, plus interest. John's sister was entitled to the balance subject to capital transfer tax; there is no CTT on the spouse's inheritance.

At Margaret's request her solicitor wrote to John's sister to see if she would care to enter into a family arrangement to alter the rules so that Margaret would at least have the house. The sister said Margaret could of course have the house, but she would have to pay over £37,000, the difference between Margaret's inheritance of £178,000 and the value of the house, just as the law provided. Margaret had no option but to take up a mortgage to remain in her house.

Joan was 45 when her husband Jack died aged 50 without leaving a will. They had two daughters aged 14 and 16.

Twenty years earlier Jack had set up a UK branch for a European company and had been given a mortgage of £30,000 at a nominal 0.5 per cent, subject to the conditions that the property be in Jack's name only and that he himself took out a life cover, which of course fell to his estate.

Fifteen years later Jack's employer closed the UK branch and appointed him as their UK agent instead. He had to repay the mortgage, which he was able to do as he had recently received legacies from his parents' estates. He continued the life policy.

On Jack's death his estate consisted of the house, valued at £150,000, the life policy, worth £34,000, pension payment refunds, and investments and savings of £27,000; a total of £211,000.

Under the intestacy rules Joan was entitled to Jack's chattels and £40,000 absolutely, plus interest until paid, plus a life interest in half of the residue, so that just over £80,000 would be invested for Joan, to be divided equally between the daughters on her death. The other half of the residue, just under £80,000 after CTT, would lie in trust for the children, each taking her share on her eighteenth birthday.

The problems which beset Joan were enormous, for although there should have been enough to provide for the family's welfare, the intestacy rules seemed to make this impossible and to give rise to even worse problems.

The daughters were both strong-minded and talked of owning cars and their own flats, both of which would probably be within their financial ability when they attained 18 years of age, in only two and four years' time.

She also had the problem of how to maintain a home for the family and at the same time provide as best she could for her own future. Her solicitor suggested that the money held in trust for her life could be used to buy a house; then she would have her cash of £40,000, plus the state pension.

Joan's daughters dismissed all the problems and looked forward to being rich.

R. B. Cannon

The Investment Trust Table

The figures in the columns below are based on information supplied by the companies named, which are members of The Association of Investment Trust Companies. The figures are unaudited.

Columns (1)–(6): as at close of business on Monday 17th March 1986. Columns (7)–(11): as at 28th February 1986.

Total Net Assets (1) £million	INVESTMENT POLICY Trust (2)	Management (3)	Share Price (4) pence	Yield (5) %	Net Asset Value (6) pence	Geographical Spread: UK (7) %	Nth. Amer. (8) %	Japan (9) %	Other (10) %	Gearing Factor (11) base=100	Total Return on N.A.V. over 5 years to 28.2.86 (12) base=100
	CAPITAL & INCOME GROWTH										
501	Alliance Trust	Independently managed	730	4.1	987	38	50	7	5	91	302
124	Bankers	Touche, Remnant	113	3.5	147	40	35	12	13	103	329
352	British Investment	Independently managed	425	4.9	557	52	28	19	1	87	265
88	Brunner	Kleinwort Benson	92	3.4	124	54	31	3	12□	96	272
104	Charter Trust & Agency	Kleinwort Benson	96	3.5	126	64	21	9	6	101	277
151	Continental & Industrial	Schroder Inv. Man.	750	4.0	873	60	32	2	6	98	264
602	Edinburgh Investment (w)	Dunedin Fund Managers	145	3.2	184	52	27	7	14	106	290
722	Foreign and Colonial	Foreign & Colonial	84	2.5	113	36	30	15	19	106	277
910	Globe	Electra House Group	342	4.2	468	66	24	7	3	98	275
334	Govett Strategic	John Govett	222	2.3	288	51	11	12	26	116	270
327	Philip Hill	Philip Hill	284	4.9	337	74	24	–	2	85	244
11	Jos Holdings	Kleinwort Benson	152	3.5	179	79	11	1	9	100	304
49	Keystone	Warburg Inv. Man.	475	3.3	633	53	25	10	12	110	†
34●	London & Strathclyde	Gartmore	170	2.2	216	63	29	5	3	101	259
55●	Meldrum	Gartmore	222	3.5	273	85	12	3	–	97	318
123	Outwich	Baring Brothers	167	2.7	227	61	14	15	10	99	262
135	Raeburn	Lazard Brothers	390	3.8	487	53	32	9	6	95	250
93	River and Mercantile	River & Merc. Inv. Man.	158	5.4	200	52	39	2	7	93	288
51	River Plate & General (w) △	Tarbutt & Co.	245	5.0	302	74	18	8	–	95	232
44	S. & P. Ret. of Assets (w) △	Save & Prosper Group	119	3.8	148	81	19	–	–	146	†
485	Scottish Mortgage	Baillie Gifford	488	2.2	641	45	20	19	16	101	327
240	Scottish National	Gartmore (Scotland)	263	2.4	354	52	30	11	7	100	261
166	Second Alliance	Independently managed	630	3.9	856	38	49	7	6	94	304
666	TR Industrial & General	Touche, Remnant	186	2.9	257	46	25	17	12	101	261
490	Witan (w)	Henderson	194	2.2	255	57	24	11	8	105	296
	United Kingdom										
14	City of Oxford	Hambros Bank	263	3.9	323	99	1	–	–	96	273
44	Fleming Claverhouse	Robert Fleming	166	4.4	221	100	–	–	–	98	299
65	Shires (w)	Stanecastle Assets	210	8.9	224	82□	14	–	4□	74	198
143	TR City of London	Touche, Remnant	112	5.0	159	90	10	–	–	101	313
114	Temple Bar	Guinness Mahon Inv. Man.	153	4.9	197	99	1	–	–	94	†
	CAPITAL GROWTH										
	General										
260	Anglo-American Securities	Morgan Grenfell	335	2.6	450	46	35	15	4	104	†
65	Ashdown	Schroder Inv. Man.	166	2.7	195	61	22	10	7	96	246
189	Atlantic Assets	Ivory & Sime	117	0.7	152	26	69	–	15□	83	237
83	Electric & General	Henderson	350	1.8	455	50	30	10	10	100	297
32	Greenfriar (w)	Henderson	307	0.8	341	62	14	7	17	104	356
	International										
87	Berry	GT Management	192	0.8	237	52	21	9	18	110	277
126	English & New York	Kleinwort Benson	125	2.9	156	7	49	15	29	100	273
94	English & Scottish	Gartmore	85	2.4*	114	42	22	8	28	101	276
26	F & C Eurotrust	Foreign & Colonial	228	1.1	209	2	–	–	98	98	353
245	Fleming Overseas	Robert Fleming	136	2.9	184	6	65	15	24	99	273
110	Fleming Universal	Robert Fleming	873	1.9	501	10	54	13	23	95	262
70●	Gartmore Inform. & Fin. (w)	Gartmore	55	2.9	73	57	43	–	–	117	228
28	Group Investors (w)	C S Investments	272	2.5	331	44	50	3	3	98	304
151	Hambros (w)	Hambros Bank	186	8.3	250	49	40	5	8	107	246
20●	London & Gartmore	Gartmore	278	0.9	376	26	34	–	40	105	269
11	Mid Wynd International	Baillie, Gifford	178	1.8	210	20	33	17	30	99	†
195	Monks	Baillie, Gifford	188	1.8	251	29	24	25	22	91	275
99	Murray Smaller Markets	Murray Johnstone	266	1.0*	311	17	5	17	61	100	311
10	Nordic △	GT Management	53	–	67	7	–	–	93	100	†
78	North Atlantic Securities △	Morgan Grenfell	322	1.5	399	1	55	35	9	96	†
155	Northern American	Dunedin Fund Managers	328	2.4	446	18	35	21	26	100	277
31	Northern Securities	GT Management	186	1.7	242	60	20	5	15	119	255
118	Romney	Lazard Brothers	292	2.4	391	28	38	17	17	100	257
315	Scottish Eastern	Martin Currie Inv. Man.	106	2.7	142	61	22	14	13	111	277
409	Scottish Investment Trust	Independently managed	342	2.6	435	37	35	13	16	99	259
88	Trans-Oceanic	Schroder Inv. Man.	180	3.1	242	44	34	12	10	92	240
91	Tribune	Baring Brothers	130	3.0	176	45	23	15	17	89	286
257	U.S. Debenture Corp.	GT Management	258	8.6	325	67	25	9	9	110	253
	North America										
167	American	Edinburgh Fund Mgrs.	146	2.9*	185	24	76	–	–	100	233
155	Edinburgh Amer. Assets	Ivory & Sime	115	0.7	146	14□	74	2	10	116	267
140	Fleming American	Robert Fleming	555	1.5	663	2	98	–	–	96	244
35	Gartmore American Secs.	Gartmore	131	1.3	172	18	75	4	6	103	309
163	Govett Atlantic	John Govett	145	2.8	184	20	79	–	1	98	203
83	TR North America	Touche, Remnant	100	2.6	122	9	91	–	–	95	255
	Far East										
33	Drayton Far Eastern (w)	MIM	157	1.0	187	1	–	69	30	108	238
132	F & C Pacific (w)	Foreign & Colonial	186	1.1	217	7	23	45	25	109	229
223	Fleming Far Eastern	Robert Fleming	106	1.4	137	2	–	75	23	96	291
221	Govett Oriental	John Govett	171	2.1	223	15□	4	65	16	102	255
16	Martin Currie Pacific (w)	Martin Currie Inv. Man.	107	–	130	1	–	80	19	98	†
5	New Australia △	Edinburgh Fund Mgrs.	86	2.5	105	2	–	–	98	75	†
10	Pacific Assets (w)	Ivory & Sime	76	1.3	82	33□	–	–	67	81	†
58	Pacific Investment (w) △	Thornton & Co.	89	0.6	113	5	–	54	41	100	†
36	TR Australia (w)	Touche, Remnant	83	3.7	116	14	–	–	86	91	197
143	TR Pacific Basin (w)	Touche, Remnant	145	1.0	190	4	–	78	18	99	311
	Japan										
42	Baillie Gifford Japan (w) △	Baillie, Gifford	363	0.2	391	–	–	100	–	91	†
11	Baillie Gifford Shin Nipp. (w)	Baillie, Gifford	60	1.1	71	–	–	100	–	89	†
75	Crescent Japan	Edinburgh Fund Mgrs.	163	0.3	211	–	–	100	–	103	383
184	Drayton Japan	MIM	571	0.3	676	4□	1	94	1	106	308
121	Fleming Japanese	Robert Fleming	612	0.9	746	3	–	97	–	104	329
64	GT Japan	GT Management	156	1.3	188	6□	5	67	2	104	330
57	Japan Assets (w)	Ivory & Sime	58	0.1	72	13	–	87	–	88	†
61	New Tokyo (w)	Edinburgh Fund Mgrs.	242	0.5	280	–	–	100	–	99	378
	Commodities & Energy										
6	City & Foreign	MIM	108	1.3	149	13□	87	–	–	92	191
8	New Darien (w)	Hodgson Martin	55	1.6	67	22	76□	–	2	74	†
17	Precious Metals △	J. Rothschild	116	0.7	143	3□	54	3□	40□	86	†
89	TR Natural Resources	Touche, Remnant	219	4.9	295	38	35	–	27	88	158
28	Viking Resources	Ivory & Sime	55	4.0	69	59	41	–	–	95	67
14	Wemyss	Edinburgh Fund Mgrs.	513	6.1	639	47	32	3	18	84	160
	Comm. & Energy (cont.)										
30	Winterbottom Energy	Baillie, Gifford	92	3.6	117	7	49□	16	28□	71	159
	Technology										
10	Baillie Gifford Tech. (w)	Baillie, Gifford	76	1.6	95	42	55	–	3	67	†
84	Fleming Technology	Robert Fleming	158	2.1	212	42	38	17	3	98	230
92	Independent	Ivory & Sime	272	0.3	327	36□	59	–	6	77	285
342	TR Technology	Touche, Remnant	113	2.2	148	42	39	15	4	101	262
	INCOME GROWTH										
366	British Assets	Ivory & Sime	61	4.4	78	45	51	–	4	113	295
151	First Scottish American	Dunedin Fund Managers	312	4.6	413	94	4	–	2	103	286
69	General Consolidated △	Philip Hill	305	5.2	366	67	30	–	3	88	266
205	Investors Capital Trust	Ivory & Sime	255	4.0	327	99	1	–	–	98	†
34	Lowland	Henderson	136	2.9	137	87	5	–	3	103	463
156	Merchants	Kleinwort Benson	118	4.5	150	60	30	4	6	99	255
160	Murray Income	Murray Johnstone	148	3.5*	178	76	13□	–	11	97	328
263	Murray International	Murray Johnstone	157	4.5*	202	43	38□	9	10	90	292
173	Securities Trust of Scotland	Martin Currie Inv. Man.	158	4.3	200	56	28	9	7	100	308
	SMALLER COMPANIES										
44	Dundee & London	Dunedin Fund Managers	196	3.9	260	72	15	12	1	98	256
51	English & International (w)	MIM	143	3.4	190	62	24	11	3	109	259
74	F & C Alliance	Foreign & Colonial	102	2.4	140	45	28	14	13	105	248
15	Family	Kleinwort Benson	258	4.6	348	97	2	–	1	99	317
10	First Charlotte	Ivory & Sime	9	0.8	13	95	1	4	–	97	†
22	Fleming Fledgeling	Robert Fleming	126	2.8	173	69	29	2	–	96	271
60	Glasgow Stockholders	Gartmore (Scotland)	129	2.5	158	49	35	5	11	101	245
31	Govett Enterprise	John Govett	156	2.9	208	42	55	2	1	100	192
30	London Atlantic	Investors in Industry	190	4.7	257	72	16	–	12	94	261
21	Moorgate	Philip Hill	368	5.0	443	92	1	–	7	91	336
21	North British Canadian	Investors in Industry	228	3.9	308	91	6	–	3	101	282
60	St Andrew	Martin Currie Inv. Man.	133	3.1	173	57	27	13	3	94	289
214	Scottish American	Stewart, Ivory	295	3.2	382	46	37	8	9	97	239
41	Smaller Companies Int.	Edinburgh Fund Mgrs.	78	2.2	103	60	29	21	–	94	285
18	Strata Investments (w) △	Henderson	111	–	122	36	24	13	27	91	†
216	TR Trustees Corp.	Touche, Remnant	164	3.3	222	65	28	6	1	108	251
246Ø	Throgmorton (w)	Throgmorton Inv. Man.	283	4.2	358	88	10	1	1	119	318
	SPECIAL FEATURES										
71	Ailsa △	J. Rothschild	115	2.7	137	49	33	11	7	95	†
15●	Consolidated Venture (w)	MIM	114	1.1	144	17□	82	–	1□	89	227
154●	Drayton Consolidated	MIM	838	4.2	440	72	22	4	2	94	207
23	Edinburgh Financial (w)	Stanecastle Assets	42	3.1	53	86□	6	4	4	125	†
245Ø	Ensign Trust	Merchant Navy Inv. Man.	138	1.8*	150	62	29	1	8	94	†
41●	Fleming Enterprise	Robert Fleming	323	4.0	405	99	1	–	–	96	310
275	Fleming Mercantile	Robert Fleming	139	3.7	185	53	30	9	8	95	253
22	GT Global Recovery △	GT Management	153	1.9	182	74	18	–	8	113	†
55	Murray Ventures (w)	Murray Johnstone	355	2.2	447	68	11	7	14	89	280
87	Nineteen Twenty-Eight △	London & Manchester	182	3.1	233	94	5	–	1	100	235
8	Stewart Enterprise (w)	Stewart, Ivory	38	1.5	51	60	28	9	3	95	†
98	TR Property	Touche, Remnant	181	3.3	209	72	13	7	8	96	227
	SPLIT CAPITAL (x)										
25	Altifund 86/88	Gartmore	583	0.1	709	98	2	–	–	85	303
2	Child Health 87	Thornton & Co.	340	–	398	51	5	19	25	149	225
42	City & Commercial 88/93	MIM	712	–	1040	84	7	8	1	110	294
33	Dualvest 85/87	MIM	1425	–	1681	91	8	1	–	107	284
34	Fundinvest 85/90	MIM	352	–	466	80	10	9	1	106	279
2	Marine Adventure 88	Thornton & Co.	190	–	267	48	4	19	29	156	†
41	New Throg. (1983) (w) 08	Throgmorton Inv. Man.	47	–	145	100	–	–	–	141	†
39	S. & P. Linked 95/97	Save & Prosper Group	370	–	714	100	–	–	–	116	377
22	Throg. Secured Growth –	Throgmorton Inv. Man.	352	–	443	100	–	–	–	72	250
97	Triplevest 87/91	MIM	938	–	1367	89	10	1	–	107	270

NOTES TO THE TABLE

† No data.
‡ Applies to Ordinary/"A" Ordinary only.
□ More than one quarter in non-equity investments.
(x) Capital shares and winding-up dates.
≠ Incorporates recent revaluation of unlisted investments.
sc Adjusted for scrip issue.
ar Adjusted for rights issue.
(q) Published quarterly.
(w) Company has warrants or options in issue.
● More than 20% in securities or other assets included at directors' valuation.
△ The Trust has provisions for a limited life. Please refer to the company for further information.
Ø Figures not directly comparable with previous month.

Cols. 1, 4 to 6 Figures supplied by Wood Mackenzie & Co. Ltd. members of The Stock Exchange. The figures in Cols 1&6 are simulated to date shown based on latest valuation supplied by the companies and made available to The Stock Exchange.

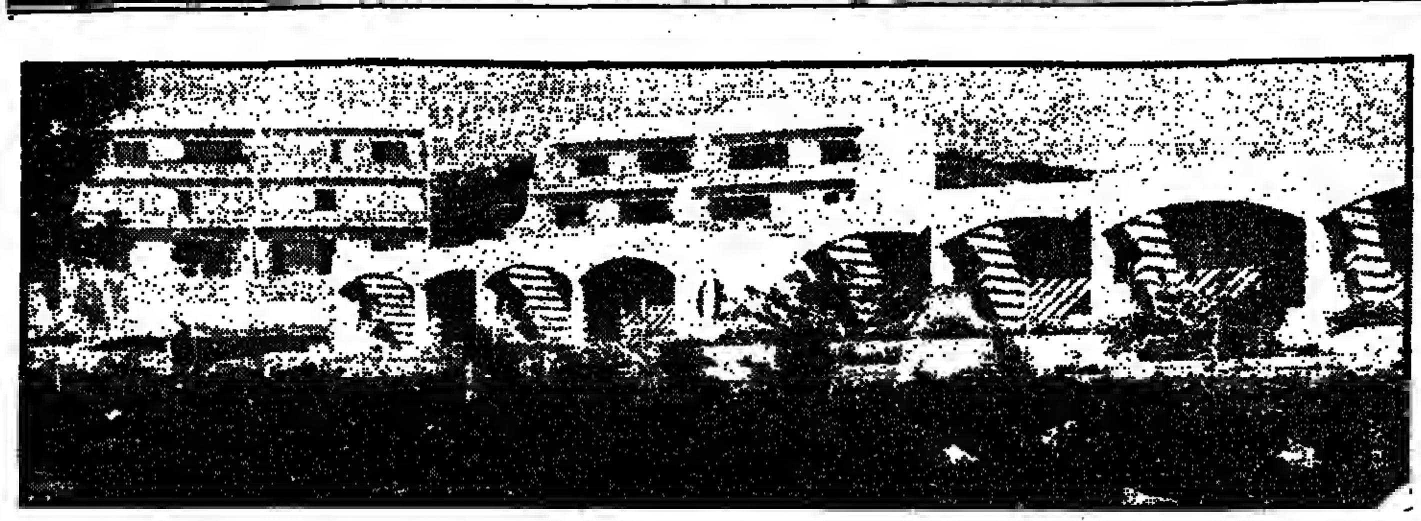
Col. 11 The gearing factor indicates the percentage amount by which the net asset value per share would rise if the value of the equity assets increased by 100 per cent. Further explanation is given in the booklet 'More for your money.'

Additional explanatory notes are available on request from The Secretary, The Association of Investment Trust Companies, Park House (6th Floor), 16 Finsbury Circus, London EC2M 7JJ. Tel: 01-588 5347.

INDICES OF FIVE YEAR TOTAL RETURN

+ Investment Trust Average	269
F.T. – Actuaries All-Share	294
* Standard & Poors Composite	311
* Tokyo New Stock Exchange	398
* Morgan Stanley Cap. Int. World	323

+ Excludes split capital.
* Adjusted for exchange rate changes.



Terrace apartments and villas at Thera. From around c. £84,000. Details William Willett 01-730 3435 and John D. Wood 01-629 9050

Boom on Aphrodite's island

CYPRUS, immortalised hy Homer as the hirthplace of Aphrodite, goddess of love, is now spawning a number of property developments that may tempt the overseas buyer.

The third largest Mediterranean island after Sicily and Sardinia, has many attractions. In addition to the sunshine and beaches, there are cool mountains clad with pine, dwarf oak and cypress, and the climate even allows ski-ing on Mount Olympus.

Today Cyprus is peaceful but divided by the Attila Line, the boundary between the Turkish north from the Greek south. It was drawn in 1974 after Turkish forcea occupied around 37 per cent of the island, taking in the resorts of Famagusta and Kyrenia.

London agent Clifford Tippett, William Willett, 7 Lower Sloane Street, SW1, helieves that there is great potential in Cyprus, both for holiday and retirement homes.

One of the projects Willetts are promoting with John D. Wood, is Thera, on the outskirts of Limassol, a resort that is also a major wine production centre. Villas and apartments are tucked among pathways edged hy ponds, streams and pools that stretch down to the sea.

The Cyprus £ is equivalent to £1.25 sterling.

Prices at Thera are from C£42,000 for a one-bedroom bungalow to C£84,000 for a two-hedroom, two-bathroom apartment complete with air conditioning, marble floors and hand-made tiles. About C£352,000 buys a five-bedroom, four-bathroom villa. You need C£1m or thereabouts for another version of the 12-hedroom "palaces" built for two Arah princes right by the sandy heach.

Another development by Paraskevaides currentlv under way, is the Zepbyros Village on an inland hilltop. Prices here are as low as C£32,200 for a small villa. Both projects are part of the exhibition "Impressions of Cyprus" heing held at the Sheraton Park Tower Hotel, Knightsbridge, London, today. Inspection trips ere being organised with a stay et L'Onda Beach, the developer'a hotel-apartments on the island.

The Omiros and Araouzos Croup has increased its developments considerahly over the last few years. The extensive Snn City Beach complex at Limassol has flats from C£17,025 to nearly C£100,000. The gronp's sales manager, Mr Tony Erotokritou, formerly manager of the Haringey, London branch of the Bank of Cyprus, says that some of the plans are heing changed specially to cater for the British market. "This means providing maisonnettes and studios, two ends of the market that the British appear to like."

Prices around Limassol are usually higher than in Paphos, a small seaport with its archaeological treasures. In a cheaper bracket is Lanarca, where in the winter thousands of migratory flamingoes flock by in a cloud of pink. A popular priced area is Ayia Napa, an old fishing village whose monastery was huilt hy the Venetians hefore 1570.

Village properties from around C£10,000 can be searched out hy Cypsun Estates, 90 Pinner Road, Harrow Road, Middlesex. The proprietor, Mr Elias Onoufrou, who bas developed bis own new hotel, Elias Beech in Limassol, also handles new properties from e dozen construction companies.

Buying regulations

A non-Cypriot is allowed to own one house on no more than two donums—about two-tbirds of an acre—or one apartment. Permission has to be given hy the Council of Ministers, but this is not usually a prohlem.

Transfer fees paid hy the purchaser to the land registry range from 5 per cent for up to C£10,000, to 8 per cent over C£15,000.

Provided the purchase money has ben imported in foreign currency, it can be repatriated, and there is no capital gains for a non-Cypriot.

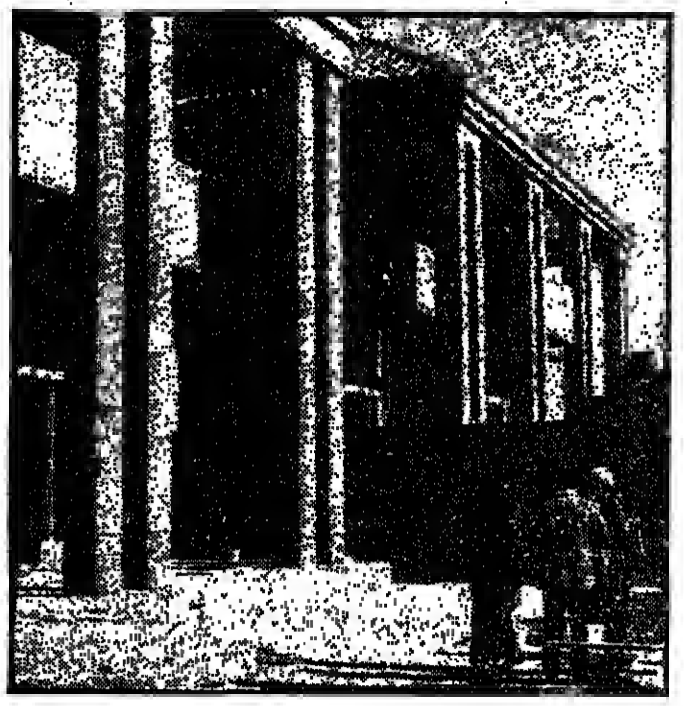
Cost of living

Ceneral household costs are C£5 a month for water supply, C£40 a month for electricity, and C£20 a year for rubbish collection.

An annuel property tax is about C£30 a year for a three-bedroom flat.

About C£80 a month (£100) should cover food, provided you concentrate on local produce. Eligibility for permanent residency requires only that you can s6how you have an annual income of C£1,000.

June Field



Mini-palaces being built by the sea at Thera, Cyprus. Details William Willett 01-730 3435 and John D. Wood 01-629 9050

CHESS

HONOURS IN the early ronnds of the £18,000 CLC tournament at the Great Eastern Hotel, London, definitely went to the young British grandmasters, particularly Murray Chandler with his fine start of 3½/4. Nunn and Sbort were tied for second place while the Russians and Boris Spassky began slowly.

Play continues every afternoon until Thursday March 27, except for Wednesday. Facilitiea for spectators ere good, with running commenteries by experts and a hookstall. There is also a major technological innovation.

Banked above the players, at the side of the main hall, and in the commentary room, are television display screens that connect to the main boards by hidden electronic devices inside the pieces. So, wben Spassky or Nigel Short advances 1 P-K4, it instently appears on the screen without any further human aid.

This new system has been devised and developed by Intelligent Chess Software Ltd of London wbose directors, David Levy and Kevin O'Connell, are well-known specialists in the computer cbess field.

Automatic game display really comes into its own at the end of a session wben the grandmasters often get into acute time shortage and blitz their way to the clock control at a speed beyond the skills of even the best human wallboard attendants. Another useful feature is that when the GMs remain at the board after play has ended, and conduct a hrisk post-mortem, you can watch their alternative suggestions far away in the commentary room.

The pattern of British success at GLC was set in the very first round when Murray Chandler met the Russian, Vaganian, winner of the 1985 interzonal and a semi-finalist in the 1986 candidates' matches.

Vaganlen's style is sharp, gifted and original, but he does sometimes telegrapb his preferred opening systems hy repeating the same highly analysed line. Thus, Chandler, whose journal *Tournoment Chess* is a major source of chess theory, was able to research his opponent's games beforehand and be fully primed against Vaganian's pet veriation of the French Defence.

White: M. G. Chandler (England). Black: R. Vaganian (USSR). French Defence, Winawer (GLC 1986).

1 P-K4, P-K3; 2 P-Q4, P-Q4; 3 N-QB3, B-N5; 4 P-K5, P-QB4; 5 P-QR3, B-R4; 6 P-QN4.

An alternative scheme, sound but less ambitious, is 6 B-Q2.

6...PxQP; 7 N-N5, B-B2; 8 P-KB4, B-Q2; 9 N-KB3, BxN; 10 BxB ch, N-B3; 11 O-O, N-K2; 12 B-Q3, P-QR3; 13 K-R1, P-R3; 14 Q-K2!

The fruit of Chandler's home research. Short-Vaganian, Biel 1985, with B-N2 and ...B-N3 inserted, went 15 Q-Q2, O-O; 16 P-QR4. White's queen'a wing advance then created weaknesses, so Cbandler uses a more direct plan of king's side atteck.

14...Q-Q2; 15 B-N2, B-N3; 16 QR-K1, R-QB1.

Black now faces a choice of evils, since castling QR would he met by a similar attack to the game. Black's Q-side ia also vulnerable, but 16...O-O-O may still be the best chance.

17 P-KN4! P-N3; 18 N-R4, P-KR4; 19 P-B5!

A classical hreakthrough mechanism against the French Defence. White sacrifices his knigbt for mating threats.

19...RPxP; 20 PxNP, RxN; 21 PxP ch, K-B1; 22 B-B1! N-B4.

The threat was 23 Q-Q2 and 24 Q-R6 ch, mating.

23 BxN, P-Q6.

If 23...PxB, 24 P-K6, Q-Q3; 25 B-B4, Q-K2; 26 Q-Q2.

24 BxQP, P-N6; 25 Q-N2, RxP ch; 26 QxR, PxQ; 27 B-R6 cb, K-K2; 28 B-N5ch, K-B1; 29 B-R6 ch, K-K2; 30 B-N6.

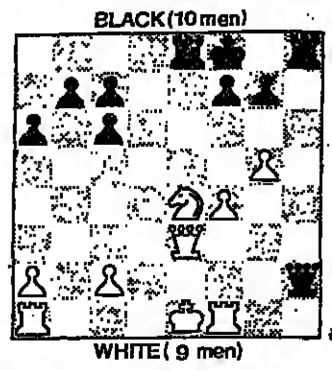
Boris Spassky, spectating the game, recommended 30 P-Q ch, RxQ; 31 RxR, B-B2; 32 R(8)-B1. Chandler's move also wins decisively.

30...B-B2; 31 B-N5 ch, K-B1; 32 B-R6 ch, K-K2; 33 P-Q ch, RxQ; 34 BxR ch, K-Q1; 35 R-B7, Q-K1; 36 B-N7, NxKP; 37 B-B6 ch, Resigns.

For if K-B1; 38 RxB ch.

PROBLEM No. 612

BLACK (10 men)



WHITE (9 men)

Sax v. Ivkov, Rio de Janeiro. A case of a grandmaster missed opportunity. White, who has moved his king so cannot legally castle, has a knight for two pawns but is under pressure. Play went 1 Q-R3 ch, K-N1 (if R-K2; 2 K-Q1); 2 Q-K3 (threat 3 N-B6 ch, PxN; 4 QxR ch), K-B1; 3 Q-R3 ch, K-N1 continuing with this sequence till a draw hy repeated position.

After the game, another grandmaster pointed out that one side had overlooked a winning chance. Who missed what?

Leonard Barden

Rentals

Overseas Property

هكذا من الأصل

هكذا في الأصل

•TRAVEL•MOTORING•

Swinging monkeys and blind dolphins: **Alain Cass reports**

Jungle jaunts in deepest Borneo

AS DAWN BREAKS over the Mahakam river in central Borneo the thin film of mist clinging to the equatorial forest along its banks begins to dissolve. The sound of the engine chugging upstream, cleaving a path through the dark muddy water, is occasionally punctuated by the shrill cry of the rare proboscis or long-nosed monkey swinging from the top of a mango tree like a primeval Johnny Weissmuller.

Up on deck David Boyce—empire-builder's shorts, long socks and a peeling nose—is straining to catch a glimpse of the equally rare sweet-water dolphin, found only in the Mahakam, the Amazon, the Ganges, the river Plate and in a single lake 700 miles up the Yangtze river in China.

These dolphins are completely blind, relying on built-in echo detectors to get their bearings and probing the muddy river bottoms with their snouts in search of food. As the rising sun streaks the sky pink we catch sight of a school of dolphin, gently breaking surface on their way downriver.

"The water level's falling," says Boyce, an affable Australian aid worker. "They're headed for deeper waters."

East Kalimantan, the biggest of Indonesian Borneo's four provinces, has had a light rainy season this year, good for visitors but not so good for the creatures which inhabit this primeval island and who depend on the tropical monsoons for their survival.

Borneo, or Kalimantan as it is called by the Indonesians — it means "Isle of Mangoes" — is the world's third biggest island after Greenland and New Guinea.

The northern part consists of the two eastern states of Malaysia (Sarawak and Sabah) and Brunei, the tiny oil-rich sultanate which originally gave its name to the entire island but which, over the years, was reduced to a pair of coastal slivers and is ruled today by one of the richest men in the world.

While rich in resources — coal, gold, uranium, timber, oil and gas — over 90 per cent of Borneo's land area is jungle and rivers. Seen from an aircraft it stretches like an ocean of green to the horizon. It is one of the last places on earth where the traveller can still encounter life in the raw.

Until quite recently trips through Borneo, whether in Sarawak—until 1946 fiefdom of the Brooke family, the white rajahs of Malaya — or Kalimantan, were either for the very adventurous or for eccentric travel writers who took a peculiar delight in travelling for days in the company of leeches and sleeping at night with mosquitoes or pteropus vampyrus, the largest bat in the world, swooping overhead.

Today things are easier, especially on the Indonesian side, thanks largely to the efforts of a small number of tour operators and men like David Boyce who are slowly opening up this vast trove of wild fauna, compelling landscapes and traditional tribal life to the outside world.

Boyce—"my pet hates are missionaries, Frenchmen and economists"—runs a major field station at Kotabangun on the Mahakam river as part of a West German aid project to Indonesia. Walking through his village, once part of the ancient Moslem kingdom of Kutai, he stops here and there to chat in fluent *bahasa*, or Indonesian, with his flock.

On the river bank, where floating bath-houses sway to the wash from a passing boat, a local medicine man tells a small crowd that he can cure anything. "I came here for six months," says Boyce "and I'm still here seven years later."

Boyce and his West German employers have gone into partnership with a four-star hotel in the oil town of Balikpapan on the coast to provide four-day river trips on the Mahakam. The hotel provides the tourists and Boyce provides the boats.

It is not quite up to "Death on the Nile" standards, "but for those who do not mind sharing a simple meal on board one of the 22-metre launches and sleeping on camp beds in the main cabin while the skipper manoeuvres round floating logs or stretching out beneath a vast starlit sky there are few rivals.

One object of any trip to Borneo is to make contact with the Dayak tribes, a handsome fair-skinned people who believe in the spirit world, can still hit a papau at 50 paces with a blowpipe, are remarkably hospitable, brew a lethal concoction called *tuak*, and live in longhouses.

Dayaks (on the Malaysian side they are called Ibans) were avid headhunters until 30 years ago, believing that the dried skull contained the most powerful magic in the world. These days, due to a shortage of fresh heads, ceremonies such as the Erau Kepala, or rice-planting festival, conducted by tribes living in the upper reaches of the Mahakam, have to make do with old stock.

Starting out from Balikpapan (two hours flying time from Jakarta) we drove to Samarinda, capital of East Kalimantan, a province the size of West Germany. There we boarded one of the five boats specially built by TAD, the aid project and steamed upriver overnight, arriving for breakfast at Kotbangun.

A shower and breakfast and we were ready to plan our trip further upriver. The Mahakam is navigable by the bigger boats for up to 200 miles, as the crow flies. After that travellers have to transfer to smaller boats, narrow and low like skulls, and powered by engines powerful enough to push against the strong currents.

That night we set off for Melak, a picturesque Moslem village strangely reminiscent of the floating market in Bangkok. Perhaps all river life has the same quality of vibrant energy.

Finding Dayaks in Kalimantan is not quite as easy as it is in Sarawak, where they live further downriver. To reach the nearest longhouse from Melak we would have to ride on a truck for 30 miles and then transfer to scooters for the remaining journey, along narrow jungle tracks.

Racing through the undergrowth, stopping only to pick ourselves up every time my scooter pilot insisted on doing an impersonation of Evel Knievel while screaming "Ok, no problem," we arrived at the longhouse in the middle of a tropical rainstorm.

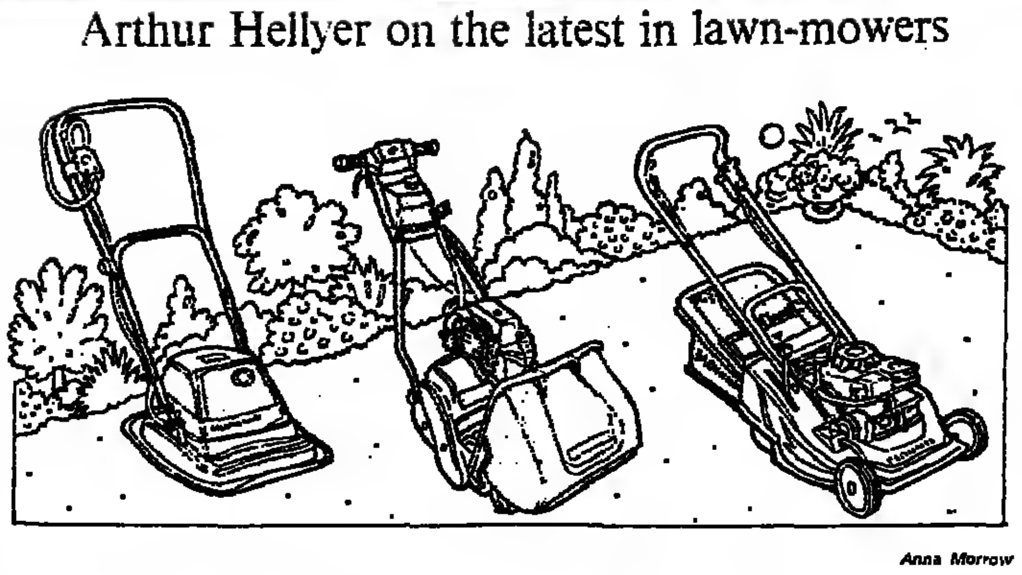
The chief's son, his hair neatly folded in small yellow curlers, greeted us politely, while his wife set about cooking some of the rice and dried fish we had brought as an offering. Outside a delighted crowd of small children splashed through the puddles chasing a small herd of pigs.

The longhouse, which normally housed 80 people, was nearly empty. The chief's son explained this was because many families had gone prospecting for gold further upriver. But it was still worth it.

Neither the motorcross nor this particular longhouse is on the usual tourist route offered by the operators but if there are enough of you they will be flexible about where they go and what they take you to see —within reason.

For more details contact Beaufort International sales offices in Frankfurt, Singapore, Kuala Lumpur and Jakarta; or Hotel Benakutai, Jalan P. Antasari, Balikpapan, Indonesia. Tel: 21747, 22747. Telex: 37122.

Arthur Hellyer on the latest in lawn-mowers



Anna Morrow

Far left: Qualcast's Hover-Safe at £55. Centre: The same company's Suffolk Punch 35S (£253.90). Right: The Mountfield Empress 18 Electric Start (£458.85).

Splendour in the grass

IT IS convenient to consider lawn mowers in three price groups each of which serves its own market. At the bottom of the scale are the mass produced machines from Qualcast, Flymo and Black and Decker which can be bought at a great many stores and garden centres at prices from about £25 to £100.

In the middle range are larger walk-behind machines, with Flymo still represented but other brand names as well such as Suffolk Punch, Atco, Webb, Ransomes, Hayter and Mountfield and at the top are ride-on mowers and garden tractors in a very wide price range starting at around £700 for the simplest machines and going up to several thousand pounds for the most complex and versatile.

I have recently been looking at some of the small power-operated machines specially designed to take over the market from manually operated machines which once dominated the cheap market but have been reduced to something like a 5 per cent share. Even owners of tiny lawns are prepared to buy small rotary and cylinder machines with blades driven by electric motors similar to those used in domestic vacuum sweepers. Some of these have a single handle, just like a vacuum sweeper, and many tend to be used in a similar way, pushed and pulled this way and that with very little pattern about the movement and used from any convenient standing point.

I see nothing against this kind of operation if the object is simply to keep the grass short but, rather caught by their own publicity, the manufacturers of small machines are finding an increasing demand for mowers that will leave the traditional evenly striped finish of the best kept lawns. This is caused by the rear roller pushing the grass down in front of it so that the light is reflected differently according to which way the machine has moved across the lawn. This means that the machine must be pushed backwards and forwards across the lawn in regular parallel lines.

But the striped effect does not last very long and so, if you want to impress your friends, you must either cut daily (or at least every second day) or do the mowing an hour or so before they arrive.

How they get the pictures in the glossy catalogues and video displays I do not know. They never show that part of the operation. I cross-mow a strip at each end of the lawn to give turning space but this means that there are lines at right angles to the main mowing lines.

No one, so far as I know, has yet made an air-cushion mower that will leave stripes but Flymo, specialists in this market, has considered this matter of sufficient importance to produce a wheel-borne rotary mower with rear roller and a rear mounted grass box to supplement its air-cushion range. It has been named the Chevron and is available in two sizes, the smaller, giving a 30 cm (12 in) width cut, said to be suitable for gardens up to 300m² and powered by a 1,000 watt motor, the larger giving a 35 cm (14 in) cut with a 1150 watt motor and said to be suitable for gardens up to 500m².

It is not clear whether these figures are giving the garden, not the lawn size, but Flymo is completely unambiguous about its Minimo Plus model, the smallest air-cushion rotary in their range with grass pick up, giving a 28 cm (11 in) cut, which they claim is ideal for lawns up to 300m².

Qualcast is much more modest and, I think, more realistic in suggesting that a 30 cm mower is ideal for lawns up to 100 square yards (84m²) a 34 cm machine up to 200 sq yds and a 43-45 cm machine for lawns over 200 sq yds. Qualcast has looked even lower down the scale and produced a new lightweight Concorde, the RE25X, with a 25.4 cm (10 in) cutting width. All the Concordes are cylinder machines which cut grass in a scissor-like way with fast revolving blades just touching a fixed bottom blade.

All Concordes are fitted with rear rollers to give a striped finish and all have rear mounted grass boxes. Two advantages of rear discharge are that the grass collection box does not jut forward into flower borders or other obstacles and that, should one decide to remove the grass box and let the clippings fly as a mulch, the cutting mechanism does not have to run over the loose, distributed grass.

An interesting Qualcast innovation this year is an edge trimmer which can be attached to any Concorde REX lawnmower. This is a multiple blade trimmer similar to some of the simple one-hand clippers and it can be attached to the drive shaft at the side of the machine and then run along the edge of the lawn. It will cut quite rough grass but ideally one should get the lawn edge into good shape at the beginning of each season with edge cutter, and shears and then use the mechanical trimmer to kep it tidy.

Qualcast has already introduced a lawn rake that can be attached to the blades of th REX range so now thes machines can be used for mov ing, edging and raking. would like to see the trimme adapted for use on larger petr engined mowers, such as th Suffolk Punch, for these can g anywhere without the restri tions imposed by cable lengt and the availability of a mair electric power point.

In small gardens edge trin ming is not much of a chore It is in large gardens that it ca become really time consuming.

In the middle price rang there is plenty of variety avai able in petrol engined machin though several of the branc have strong family resen blances. I use the 35cm (14in Suffolk Punch cylinder mowe for which the recommended r tail price is £291.99p, though will probably be available th. spring in some large DIY store at £200 or thereabouts.

I find it excellent for ordinar lawn mowing and it can be han pushed in awkward places, lea ing only the cylinder blad power driven, or can be full power propelled. A 35 c (14 in) Webb machine of sim lar type would cost about £3 and the same size Atco anoth £10-£20. I also use an old Flym Domestic giving a 47 cm (19in cut. This is no longer availab but the Flymo Pilot range very similar. The L47 mod which also gives a 47 cm cu retails at about £230 but, course, cannot be power pr pelled.

But the Flymo, with its sli hood, is ideal for slipping und overhanging shrubs and, lik all air cushion machines, can b moved with equal ease in an direction. Qualcast, having crit cised the air-cushion mower f years, has now entered this m years, has now entered th market with its own cable-ele tric Hover-Safe with plast blade giving a 30 cm (12 in cut and selling for about £55.

At the £300 plus price leve there are also numerou wheeled rotary machines, som power propelled, some not. G ing still further up market on can now find models like th 18 in Mountfield Empress an the 19 in Hayter Harrier 22 with electric self start.

This is such a boon that I pr dict it is bound to take an i creasing share of the marke Self starters seem to add abou £40-£50 to the basic cost but ar as yet only fitted to those i the £400 plus range.

Who wants to buy Land Rovers?

THE CONTROVERSY over General Motors' wish to take over Land Rover is understandable but some of those shouting the loudest seem to be rather light on facts.

It is easy to see why Members of Parliament, with an eye on the next general election, should declare in ringing tones that Land Rover would pass into foreign hands over their dead bodies, or words to that effect. And why opinion polls should reveal that 90 per cent of us would prefer that Land Rover should remain British.

I have no wish to trespass into the political and industrial arena which is served by better qualified commentators than me. But I do know a bit about Land Rover as a product and of the world in which it has to be sold. I have driven most of them, from the 1950 slab-sided, Rover 12 engined one I owned years ago to the latest V8 engined models, which are almost like Range Rovers in an old suit of clothes.

As a cross-country vehicle, used up to its hubs in mud, climbing rocky slopes or penetrating jungles, I doubt that there is anything better in the world than the current Land Rover. It is strong, long suffering and for sheer go-almost-anywhere capability, knocks spots off most its rivals. I know because I have driven them into places where no sensible rider would take a valuable horse. It seemed impossible, but they just kept going.

When the Land Rover first appeared in 1948 and for about 25 years afterwards, a lot of people who bought light 4x4 vehicles put them to that sort of use. Some still do, but the great upsurge in four-wheel-drive sales in the last ten years or so has been due to completely different kind of customer emerging.

Renault, which now controls Jeep Corporation, produces some interesting figures. They showed that 95 per cent of Jeeps are now bought for use as highway transport compared with a mere 17 per cent in 1978. Only seven per cent of owners now take their Jeeps off-road frequently compared with 17 per cent eight years ago, though 80 per cent still want an off-road capability.

That is in the US but from my observation, it is much the same here.

One sees more and more four-wheel drives every year. There are still a lot of Land Rovers about, but they are mostly veterans, not the new 90 and 110 models. People in my part of the world who used to buy a Land Rover to pull a horse trailer—often its main function —found it a bit of a hair shirt when used as a car substitute. They now run things like the Mitsubishi Shogun, Daihatsu Fourtrak or Subaru 4WD estate instead.

Even farmers who had felt the Land Rover was the only practical working vehicle have found that a Subaru, Toyota or Nissan 4x4 pick-up costs less and carries more than a standard Land Rover. No, it will not climb mountains, nor will it last for 25 years. But it will serve them for 50,000 miles or so at which they are prepared to throw it away and buy a new one. A Land Rover would then be likely to require major repairs and it is not a cheap vehicle to maintain when it is getting on in years.

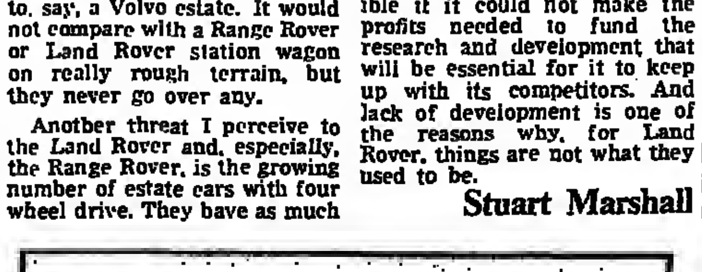
In the burgeoning recreational 4x4 market, the foreigners have practically taken over. Of course, the Range Rover is a marvellous machine, arguably the best in its class. But it is expensive and, with a big 3.5 litre V8 petrol engine, very thirsty. Many buyers have found that a turbo-diesel Shogun long wheelbase pulls a horse trailer nicely on and off the road, does more like 25 mpg than 15 mpg and is an acceptable alternative to, say, a Volvo estate. It would not compare with a Range Rover or Land Rover station wagon on really rough terrain, but they never go over any.

Another threat I perceive to the Land Rover and, especially, the Range Rover, is the growing number of estate cars with four wheel drive. They have as much off-road traction as most people need. There are the Audi Avants with quattro transmission, just joined by Ford's Sierra 4x4 estate car. For less money, simpler-on-demand four-wheel drives like the Subaru, Toyota and Alfa Romeo 33 estates, the Honda Shuttle and Fiat Panda are available.

No, they are not in the same league as a Land Rover. But they do fit the needs of people who not long ago would have bought a heavy, rough 4x4 because nothing else was available.

I would be sad to see Land Rover Pass from British hands. But I would be sadder still to see it remain British for a few more years, only to collapse in the 1990s. That would be possible if it could not make the profits needed to fund the research and development that will be essential for it to keep up with its competitors. And lack of development is one of the reasons why, for Land Rover, things are not what they used to be.

Stuart Marshall



Tuck into the Mazda

THE FIRST time owners of the new Mazda RX 7 go away for the weekend, they will bless the importers for having the courage to bring it in with a slim spare wheel. It tucks tidily out of sight by the rear panel, leaving space under the curving glass of the tailgate for a large suitcase and a couple of squashy bags. With a full-sized, ultra-low profile tyre and alloy wheel sitting in the middle—as was originally intended—there was hardly the space for a packet of crisps.

The new RX 7, which went into the showrooms this week at £13,995, is good for just over 130 mph. It has a firmer feel and even better handling than the US and Japanese specification models I tried at the end of last year.

Being able to set the compact Wankel rotary engine well back in the car gives the RX 7 the ideal 50:50 weight distribution front to rear. Porsche, whose 924S (almost £15,000) and 944 (from £19,500 upwards) are firmly in Mazda's sights, puts the engine up front and combines gearbox with rear axle to get the same effect.

The engine, which develops 148 bhp at 6,500 rpm, runs like a turbine and demands only two-star fuel, but in considerable quantities. The official figures of 16.5 mpg (urban), 33.6 mph (steady 56 mph) and 25 mpg at a constant 75 mph suggest that a driver who really enjoys his or her RX 7 will do well to better 22-23 mpg in average use.

But sports cars are about performance, not fuel economy. I rate the RX 7 highly. It is quiet enough for the excellent Clarion stereo radio-tape player to be heard at all times and comfortable to ride in. Good balance, aided by Bridgestone's formidably grippy Potenza uni-directional tyres, powerful all-disc brakes and sharp steering response, allows spirited driving to be safe.

The RX 7 may lack a Porsche's charisma and cannot match a 944's performance or fuel consumption but you may need a second look to tell them apart. It feels much the same from behind the wheel, too.

Legal Notices

BANQUE DE CREDIT INTERNATIONAL, GENEVE.

EN LIQUIDATION CONCORDATAIRE

Conformément à l'Article 43 de l'Ordonnance du Tribunal Fédéral du 11 Avril 1935 concernant la procédure de concordat pour les Banques et les Caisses d'Epargne, les liquidateurs ont dressé un état du patrimoine au 31 décembre 1985 et un rapport sur leur activité à cette même date. Ils les ont transmis à la Commission des créanciers pour être communiqués à l'autorité de concordat.

Les créanciers pourront en prendre connaissance chez:

Deloitte Haskins & Sells S.A.

13, route de Florissant, 1206 Genève

(prière de prendre préalablement rendez-vous par téléphone 47 08 02 internes 32 et 30).

Genève, le 8 mars 1986

Les Liquidateurs:

DELOITTE HASKINS & SELLS S.A.

CHARLES WINTSCH

The following is a "free" translation of the above official notice:

INTERNATIONAL CREDIT BANK GENEVA

IN LIQUIDATION UNDER SCHEME OF ARRANGEMENT

In accordance with Article 43 of the Ordinance of the Federal Tribunal of 11th April, 1935 regarding the procedure for Schemes of Arrangement for Banks and Savings Banks, the Liquidators have drawn ad a Statement of Assets as at 31st December, 1985 and a Report on their activities up to that date. They have forwarded these to the Committee of Creditors for transmission to the Authority of the Scheme of Arrangement. Creditors may inspect these at the offices of:

Deloitte Haskins & Sells SA.

13 Route de Florissant

1206 Geneva

(Please make an appointment by telephone —Geneva 470802 extension 30 or 32)

Geneva, 8th March, 1986

The Liquidators:

DELOITTE HASKINS & SELLS SA

CHARLES WINTSCH

Byron pilgrimage

Poetry in a four-poster

THERE IS still time to join the Byron Society's annual pilgrimage to Newstead Abbey. It takes place this year on April 19, the nearest Saturday to the anniversary of the poet's death. Members can leave London by special coach at 9 am returning at 10 pm. Others go by car. Newstead is about 12 miles north of Nottingham, on the Mansfield Road. You can drive right in.

The visit includes tours of the house and gardens with plenty of experts to explain things. But there is no need to be conducted if you prefer to make your own way. After lunch and a suitable gap for strolling round the lakes, the society lays a wreath on the poet's tomb at Hucknall Torkard parish church, a few miles away. It is a splendid day out: I shall be there.

Newstead Abbey — more properly Priory — was founded in 1170 and remained a quiet, prosperous monastic community for 400 years. The cloisters and crypts still shelter a famous ghost who appears from time to time in his cowl and beads. At the Reformation, the assets were privatised. The building and 750 acres of land were sold to Sir John Byron of Nottingham for £810. The last Prior was awarded a pension of £26 with his deputy and ten other senior management receiving similar handshakes of £6 downwards.

The new owners alternated between improvement and neglect but they were never rich or poor enough to do too much damage. Newstead remained a ruinous ecclesiastical building crudely converted into an English country house. The result is a pleasing mixture.

"Huge halls, long galleries,
spacious chambers joined,
By no quite lawful marriage of
the arts,
Might shock a connoisseur: but
when combined,
Formed a whole which,
irregular in parts,
Yet left a grand impression on
the mind,
At least of those whose eyes
are in their hearts."

At the time the sixth lord inherited in 1798 at the age of 10 the whole place was dilapidated and heavily mortgaged. Only a few rooms were inhabitable and they were several hundred yards apart. His mother whisked him off to more comfortable lodgings in Nottingham, but as soon as he was 21 Byron moved in and started to put the place in order. He began sensibly enough with the bedroom, always a central concern of his life. The Great Hall he considered suitable only for pistol practice and the Chapel for housing his menagerie of animals.

Byron lived at Newstead off and on for seven and a half years. It provided perfect provender for a young Romantic imagination. He was already the first megastar. But when he went into exile—driven out as Macaulay said by the British public in one of its ridiculous fits of morality—the place was sold for £94,000. Lovingly looked after by his admiring successors, one of whom presented it to the city of Nottingham, Newstead is today more complete and more attractive than ever in the past.

Byron became famous so young that nothing was ever thrown away. Of all the great poets his life is the most fully documented and everything was done with style. Newstead contains a marvellous collection of pictures, books, manuscripts, letters and other vivid relics of his life.

You can see the gilded four-poster which he used at Cambridge complete with coronets and exact copies of the original drapes. Alongside are two sets of steps which the lame poet needed to get himself up and down. For students of child psychology there are the iron braces which he was forced to wear as a boy, twisting his character without straightening his feet. There is the absurd helmet which he wore in Greece and a lock of the famous auburn hair touched by so many adoring fingers. Even if you do not admire you are bound to be amazed.

If you would like to join the Byron Society, write to the hon. director, Mrs Elma Dangerfield at 6, Gertrude Street, London SW10, or telephone 01-352 5112 during office hours. If you cannot go on the 19th, Newstead is open from Good Friday until the end of September, 2 pm to 6 pm, including Sundays and Bank Holidays.

William St Clair

An 18th century perspective of Newstead Abbey and its Park, in Nottinghamshire

BEWARE of the horse. For parents of newly teenaged daughters here is a warning and a cautionary tale: the quadruped with an aces-high standard of living can disrupt the tranquility of your home, ruin your peace of mind and can permanently damage your bank balance.

Equine fever may afflict your female offspring as acne did her elder brother; you can only pray that your earnings will outlast her passion.

Horses—ponies to the cognoscenti—came in all shapes and sizes. The beginner's starter pack wil probably be an 11 or 12 hand bundle of teeth and animosity that will set you back about £250 to £600 depending on age (its), experience (hers) and locality (yours). The best known methods of obtaining the animal are either through one of the horse and pony magazines or at a country pony sale.

The small ads in the back of pony magazines should, from experience, be treated in much the same way as second-hand car advertisements or estate agents' blurb; with scepticism: "Easy catch, shoe, box," and "suit inexperienced rider" may be accurate and truthful as far as the outgoing owner is concerned. The outgoing owner has doubtless forgotten hours of fruitless pursuit round the field with headcollar and sugar bribes, the kicked shins, the broken collar bones when the horse went one way and the rider another. "Sadly outgrown" may mean that the poor beast has been carrying 14-stone Samantha on its back for years until its spine is permanently strained, her heels dragging on the ground.

The best way to buy is to test drive first, with the prospective rider in the saddle and a minimum of anxious help from the vendors. The old-fashioned concept of cash-on-delivery is not a bad one here. The vendors are likely to have, or to have access to, a horse box; it will save you a few pennies in trailer hire. Some vendors will permit a fortnight's trial.

A stable relationship: Holly and Fiji

Horsetrading blues

An alternative source of supply is pony sales. First, leave your susceptible daughter at home; second, take along a knowledgeable friend. Tales of broken down nags and Irish horse thieves are mostly true. There *are* little gems of horse-flesh hiding under tattered manes and unkempt coats, but not many. The most prolific buyers at these auctions are, sadly, pet food manufacturers. (A soft-hearted and very titled lady of my acquaintance has a hill farm knee-deep in pony sale outcasts, mostly unbroken, unmanageable and all eating their heads off.)

Once bought, where to keep it? Families lacking horse-sense or a detached stable block and paddock might consider keeping their pony at livery. Pricey; but with the advantages that the animal is being stabled and looked after—by someone else—exercised in the early morning—by someone else—and, usually, available for your daughter to ride at any time. Riding stables in the home counties will charge £36 a week for full livery. Sometimes it may be less for this service in return for being able to teach other riders on your animal.

If your girl wants to do it all herself, "grass keep" for a pony can cost between £6 and £30 a week. Then there are pony nuts, hay, sugar-beet pulp, bran mash and chaff. In winter you will be schlepping out at dawn with a bale of hay in the back of the Porsche.

As with the motor car the pony owner would be well advised to consider insurance. Like cars, again, policies come in degrees of cover, from basic death or slaughter, public liability and theft, right up to fully comprehensive Plus Cover, which includes vets' bills for injury or illness, personal accident to the rider (including dentistry if her teeth are knocked out as she goes over the jumps) and the loss, damage or theft of saddlery and tack up to a value of £750.

The premium on a starter-pack pony worth about £500 will be about £44.00, a £700 animal about £56.000 for the Plus Cover. (Unlike cars, there is no "no claims" bonus).

No self-respecting pony would be seen with a scantily-clad nymph clutching its mane, riding bareback down the wind. Accoutrements for both mount and rider can keep the local saddlery shop solvent for months.

Saddle (English rather than foreign make preferred) will cost up to £400 new, £120 secondhand, if you're lucky. The bridle, stirrup leathers, stirrup irons, reins, martingale, girth, numnah, lead rope, head collar, New Zealand rug, stable rug, leg and tail bandages, leg-warmers (set of four), grooming kit — you can spend a couple of hundred quid in an afternoon on a wardrobe for the horse.

The rider requires jodhpurs, hacking jacket, shirt, tie, crop, riding boots (fully-lined French-made leather) and riding hat for everyday wear. For gymkhanas a whole new set is *de rigeur* for both mount and rider.

Vets' fees, not wishing to have the Royal College breathing down my neck, I will leave alone.

I am going through the agony at the moment. Barclaycard grins, and I bear it. But on the pop music horizon are three sexy young men from Norway with the unlikely names of Morten Harket, Pal Waaktaar and Magne Furuholmen. They make up the pop group A-Ha, and are quickly replacing ponies in my daughter's affections. She will forget her obsession and then horses, in my daughter's eyes, will just be things you put money on at Ascot . . .

Sara Evans

BRIDGE

TODAY'S example hands, which occurred a few days ago, teach more than one lesson. But the chief lesson is that it is not points but shape and fit that bring in the tricks. Victor Berger, chess champion and school chum, was my partner on the Hand A, where we reached a little slam with just 25 points between us.

At a love score, I dealt in the South seat and bid one heart. West overcalled with one spade and my partner bid two spades. I replied with two no trumps to show my spade guard and now North said three hearts. With three first-round controls and a singleton, I made a cue-bid of four clubs, Victor said four diamonds and I said five hearts, which was raised to six.

On West's spade King East dropped the two, which was comforting I won in hand and led the heart two to dummy's King — East was more likely to hold all three trumps than West. And so it proved when West discarded the spade seven. I returned dummy's heart three, and won with my nine. At this stage I can draw East's trump, ruff two spades in dummy, and rely on the club finesse. This works, but I decided to leave the Queen outstanding and continue on crossruff lines.

I crossed to the diamond Ace, ruffed a diamond in hand and a spade on the table. Another diamond ruff was followed by another spade ruff. I then led dummy's last diamond, East played the King, I ruffed with my Ace of hearts, and West followed suit. I was safe. I returned my last spade, ruffing with dummy's last trump, and East was helpless. If he over-ruffed, he would lead into the club tenace; if he discarded, I would cash King and Ace of clubs and concede the last trick.

Hand B was more dramatic.

At game to North-South, I sat North and opened the bidding with one diamond (what! only 10 points) and East bid two clubs. My partner said two hearts, and after a pass from West I raised to four hearts. East came in once more with four spades, which South doubled, but I took out into five hearts. East doubled, and my redouble closed the exciting auction.

East now led the King of spades out of turn and my partner, as was her right, forbade the spade lead. West led a club and my two spades went away on South's Queen and Ace of clubs. After a successful finesse in diamonds, she made an overtrick.

Normally, I feel compassion for a player who leads out of turn, but not on this occasion. East's double was a bad bid. She cannot be sure of beating the 11-trick contract — I could easily be void of spades. She must either pass and hope to defeat the contract, or sacrifice.

Hand A

	N	
	♡ K 10 8 6 3 ♠ 3 ♢ A J 8 4 ♣ K J 8	
W		E
♠ K Q J 9 7 ♡ — ♢ Q 10 6 2 ♣ Q 9 3 2		♠ 10 5 2 ♡ Q 7 4 ♢ K 7 5 3 ♣ 10 6 4
	S	
	♠ A 8 6 4 ♡ A J 9 5 2 ♢ 9 ♣ A 7 5	

Hand B

	N	
	♠ 6 4 ♡ K 10 8 5 4 ♢ A Q J 9 6 4 ♣ —	
W		E
♠ 10 3 2 ♡ 7 2 ♢ K 10 7 3 ♣ 7 6 5 4		♠ A K J 8 5 ♡ A ♢ 2 ♣ K J 10 9 8 2
	S	
	♠ Q 9 7 ♡ Q J 9 6 3 ♢ 8 5 ♣ A Q 3	

E. P. C. Cotter

A SPLENDID rider, a judge of pace, a resolute finisher. These were just a few of the accolades accompanying the cartoon of jockey Tom Cannon (1846-1917), grandfather of Lester Piggott, which featured in the issue of Vanity Fair for September 12 1885.

Collecting

Jockeyed into position

In its 45-year lifespan the weekly society magazine, founded in 1868, published over 2,300 cartoons of interesting and important people.

Politicians — Disraeli and Gladstone, both drawn by Carlo Pelligrini—were the first to be caricatured. They were followed by Empire builders, businessmen, the Bench and the Bar, the services, royalty, and sportsmen.

Racing enthusiasts will welcome The Jockeys of Vanity Fair by Russell March (£14.95), published this week to coincide with the start of the flat-racing season. It complements the author's previous work, The Cricketers of Vanity Fair; now difficult to find.

The handsome new book shows 33 jockeys in their colourful silks. Most are booted and spurred, some with whip and saddle. Only the leading gentleman rider of his generation, steeplechaser Captain Edward Rodney Owen (1856-1896), is in civilian city garb—bowler hat and lounge suit, plus umbrella. ("Roddy" won the Grand National on Father O'Flynn in 1892.)

The first jockey print, dated May 28 1881 was by "Spy," pseudonym of Sir Leslie Ward. It showed Fred Archer (1857-1886); out of 8,084 mounts he rode 2,748 winners, including 21 classics. Reputed as tight-fisted, he was nicknamed The Tinman. (Tin was cockney slang for money).

The American Tod Sloan (1874-1933), was caricatured in his famous monkey crouch, bent over the head of his mount. Riding in front from pillar to post, forcing the pace instead of waiting to win, the phrase "to do a Tod Sloan" meant going out on your own.

Original watercolours of the cartoons are like gold. The proof prints—copies pulled by hand from the newly made plates, with no lettering—are scarce, but at the moment they seem to command very little more than run-of-the-mill prints.

The rare jockeys are Fred Archer, Tod Sloan, and a colourful character, Count Della Catena. Believed to be an amateur of considerable skill, he was also Baron Strickland of Sizergh Castle, Kendal, and a Noble of Malta.

Some prints can be bought for around £25 or so, others make £100 and more. Anyone starting from scratch, says Russell March, should be able to get a complete set of the jockey prints for something over £1,000 if time and effort can be spent on a search.

Clive Burden, 13 Cecil Court, London, WC2, keeps a rapidly moving stock of a variety of Vanity Fair works. March Publications, 25-27 Mount Ephraim, Tunbridge Wells, Kent, is issuing some of the jockey prints from the book at £17.50 for a set of four. A complete set of proofs, of which there are only 20 sets, is £97.50.

age. That works out at less than £3 a copy.

June Field

Tod Sloan in The Jockeys of Vanity Fair

High Street wine

Spring spritzers and rich reds

IN TERMS of supermarket wines the chief rival to Sainsbury is Waitrose. Although its range of 250 wines is much smaller—and it could be said that Sainsbury's is confusingly large for many of its customers—and its 78 licensed shops many fewer, the selection is no less carefully chosen, although the list of vintage wines is not so extensive.

But it is for everday wines that most of us go to supermarkets, and recently Waitrose kindly arranged for me a tasting of 50, most of which were of this kind.

Following are the wines I picked out out of the 37 tasted. (I skipped four of the sparkling wines, including the champagne, as I believe there is a limit to what can effectively be tasted.) The prices are pre-Budget, but doubtless will be held for a while.

White

Waitrose Carafe White — Sardegna (1 litre £2.35). There can be no complaint about the price of this wine from a Sardinian co-op. With some bouquet, fresh flavour and some depth, this is very good value, and available in two-litre size at £4.45. (Superior to the equivalent red wine from the same source which I found tannic and drying up.)

Regaleali 1984, Conte Tasca d'Almerita (£3.25). This estate generally produces the best Sicilian. It has some evident acidity but is crisp and fresh.

Sudtiroler Gewurztraminer, D.O.C., Walch, 1984 (£3.15). The locals claim that the Traminer originated in the Sudtirol, and this is a very typical example, with strong but not aggressive nose, some colour and slight sweetish flavour. Good value.

Vins de Pays des Côtes de Gascogne 1984 (£1.99). Recently the hard-pressed producers of Armagnac have diverted part of their output to making excellent "country wines." This inexpensive one has a fair aroma, and crisp green flavour for immediate drinking. Excellent value.

St Véran, Les Monts 1984 (£4.55). Although generally the '84 whites were superior to the reds, and are at least crisp, they tend to be green and lack roundness. Yet supermarkets with their many outlets cannot afford to miss moderate vintages as traditional wine merchants often may, and this seemed the best of Waitrose's half-a-dozen shown: better than the green, short **Muscadet** (£2.59) and the hard, dry-finish **Pouilly-Fumé** (£3.95), for the St Véran has a nice aroma and more fruit than the others.

Houghton Supreme 1986 (£3.65). This slightly spritzig Chenin Blanc with a little colour, fruity aroma and full flavour, showed what good-quality wines can now be found from West Australia.

Waitrose Gewurztraminer, A.C. 1983 (£2.85). Surprisingly cheaper than the Sudtirol wine, this has more powerful bouquet and flavour, typical of the Alsace style. Good value.

Vouvray A.C., Ch. Moncontour 1984 (£3.25). This really is *demi-sec* as stated on the label, and not over-sweet. A lovely fruity nose and a generous flavour.

Durkheimer Feuerberg Gewürztraminer Spätlese, Pfalz 1983 (£4.85). A fine aroma, and rich concentrated flavour, this is a more abundantly flavoured example of the grape than those above, and deliciously complete.

Ch Bastor-Lamontagne, Sauternes, AC 1981 (£5.35). One of the best *cru bourgeois* sauternes, this has a delicious nose, with real "noble rot" flavour, and good acidity to prevent it from being flabby.

Red

Venegazzù, Conte Loradan, 1981 (£3.95). This wine from the Veneto is one of those including some cabernet-sauvignon at the expense of being denied DOC status. It has good colour, a stylish aroma and more than a hint of claret in the flavour. At best and for drinking now.

Chianti Classico Riserva, Castell' in Vila, DOC 1978 (£3.15). Age has contributed a fine, distinguished bouquet, and a distinctive, concentrated flavour to a well-balanced wine. Vary good value.

Brunello di Montalcino, Castelgiocondo, DOC, 1979 (£6.45). Among an often over-rated Italian wine, this one has a lovely rich nose, and plenty of well-balanced flavoured. Inexpensive for the general rating.

Carrafeira TE, Fonseca, 1978 (£3.95). One seldom goes to Portuguese table wines for subtlety, but this has a rich nose, and a powerful flavour and after-taste for those who like a mouthful of wine.

Feltzer, Zinfandel-Mendocino, 1980 (£3.35). This strong (14.3 degrees) red has an oaky nose, slightly brown tinge and good body with a firm end: An easy-to-drink California red at a moderate price.

Cabernet - Shiraz, Berri Estates, 1982 (£3.75). Another big, rich, oaky-nosed wine whose strong flavour owes much to the shiraz grape successfully blended with the cabernet in Australia.

Châteauneuf-du-Pape, Brotte, AC, 1982 (£4.95). Full of flavour, with a fruity bouquet, a much better balanced, less coarse Châteauneuf, and ready for drinking.

Volnay Caillerets AC, 1980 (£9.75). From the top Volnay *cru*, this has a delicious, true pinot noir aroma and a beautifully complete, soft flavour. At its best now, it is a fine example of authentic Côte d'Or burgundy, and for its quality is excellent value.

Edmund Penning-Rowsell

Cookery

Hatch it job

PANCAKES were traditionally cooked on Shrove Tuesday as a delicious and practical means of using up all the eggs, butter and cream in the house before Lent began. After 40 days of Lenten fasting and abstinence, eggs were back on the menu once again. Indeed, Easter is synonymous with eggs in rich variety — chocolate, hard-boiled and dyed, not to mention Fabergé.

In recent years we have become aware of the richness of eggs in another sense. I mean their richness in cholesterol, which is so high that nutritionists now recommend we ration ourselves to a maximum four eggs per person each week—and this figure includes the "hidden" eggs we eat, almost without realising it, in quiches, custards, cakes, mayonnaise, Hollandaise sauce and soon.

Given the current health warning labels, I dare say there are some people who gave up eggs this Lent — for reasons of health rather than as a traditional penance. Be that as it may, they will have more reason than most to look forward to breaking their fast with an indulgent little feast of good eggs on Easter Sunday.

STUFFED EGGS IN THEIR SHELLS
(serves 6)

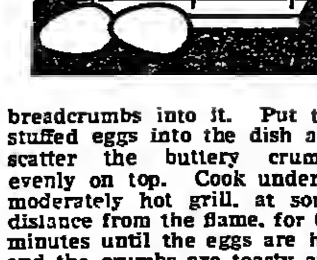
These delicious and pretty little eggy snacks are good served with pre-lunch drinks or as a first course for dinner. Duck eggs could be used instead of hen's eggs but, being larger would need proportionately more butter and herbs.

6 eggs; 2½ oz butter; fresh chopped dill or chives; parsley; salt and black pepper; 2 oz fresh white breadcrumbs; soured cream or Greek strained yoghurt.

Hard-boil the eggs. Do not shell them. Cut them in half lengthways using a very sharp knife and a karate-type chop. Do not worry if little bits of shell chip, leaving the edges of each half shell slightly uneven.

Carefully scoop out the egg yolks and whites and chop them very finely. Season them with salt and pepper and a generous fleck of green herbs. I suggest 6-7 tablespoons in all and think it best to major on either chives or dill. Bind the mixture with 1½ oz melted butter and check and adjust seasoning to taste—it should be well flavoured — then pile the filling into the half shells, pressing it down gently.

Shortly before serving, lightly grease a gratin dish just large enough to take the stuffed eggs in a single layer. Heat it under a moderate grill. Melt the remaining 1 oz butter and, away from the heat, stir the breadcrumbs into it. Put the stuffed eggs into the dish and scatter the buttery crumbs evenly on top. Cook under a moderately hot grill, at some distance from the flame, for 6-8 minutes until the eggs are hot and the crumbs are toasty and crisp. Serve immediately with dollops of well-chilled yoghurt or soured cream for delicious contrast.



LITTLE CHOCOLATE CREAMS
(serves 8)

This very quick and easy recipe makes an extremely rich little pudding — an attractive alternative to chocolate Easter eggs. The inclusion of yoghurt gives an agreeable bitter chocolate taste. If you prefer a more traditional chocolate mousse flavour, use cream instead of yogburt. Cream can be scalded with the milk.

9 oz best plain dark dessert chocolate; ½ pt milk; ½ pt Greek strained yoghurt; 1 large egg.

Break the chocolate into small pieces and put it into a pudding basin. Place the basin over a pan of barely simmering water and let the chocolate melt, just stirring occasionally. Do not let the chocolate become too hot or it will go solid. Break the egg into a cup and beat it lightly with a fork. Put the milk into a small saucepan and scald it.

As soon as the milk is scalded pour it on to the yoghurt—pour it in a steady stream and beat the yoghurt with a fork all the time as you pour to ensure a smooth creamy blend.

As soon as the chocolate is melted, remove it from the source of heat. Beat it with a fork to check that it is quite smooth, then beat in first the egg then the milk and yoghurt mixture. Work fast but blend the ingredients carefully, as you did when mixing the milk and yoghurt.

Divide the creamy chocolate mixture between eight petits pots de chocolat and set aside in a cold place for a couple of hours to set. Little biscuits such as Pirouline or tuiles d'amandes are good to nibble with these chocolate creams.

Philippa Davenport

هكذا من الأصل

DIVERSIONS

Hong Kong: shop suey

Lucia van der Post

HOW TO SPEND IT

IT IS 50 YEARS since British Airways (then called Imperial Airways) first flew into Hong Kong. The journey took 10 days and in his arrival speech Captain Lock, who had captained the lap from Penang, daringly predicted that one day his children would fly there in under a week. Today it takes 16 hours. Flights leave every day and a good package seems to be Speedbird's offer of flight and seven days at a hotel, starting at £620. The Apex fare (nowadays only 14 days' notice is needed) is £542 return. The Hong Kong Tourist Association, 125, Pall Mall, London SW1 will send any reader a leaflet listing all packages, air fares and other information on Hong Kong.

Hong Kong has always been one of the great places of the world to shop. It is a duty-free port, which helps. It has the Easetrn approach to service so that if a customer wants something, somebody will supply it. It is a fiercely competitive, high-risk society where people fight for their share of the good life. Through Hong Kong passes most of the wordly delights that the East has to offer. *Antique chests? Cut-price rubies?* The latest gadget? Made-to-measure silk shirts? In Hong Kong you can find almost anything you *ever* wanted—and a lot you never knew you wanted.

You can also get mightily ripped-off. Keep your wits about you. Go to the Hong Kong Trade Association for advice: there are several branches, the main one is on the *35th Floor, Connaught Centre,* Central (just opposite the Mandarin Hotel). HKTA has a hotline (722.5555 for shopping *information), and approved* members display its sign of the red junk in their windows, and it will do its best to prevent tourists being cheated.

There are roughly 11 HK dollars to the pound sterling — locals tend to divide by ten to give an approximate idea of what things cost. Watch that you are not overcharged for changing money so stick to banks.

Take a flat pair of shoes, and have fun.

Roger Taylor

RESTING: a rickshaw driver (left) takes time out for a Coke
RUSHING: the frenetic bustle of the Hong Kong street scene (below left)

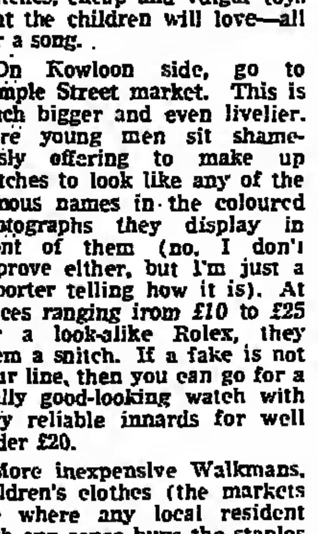
TO MARKET, TO MARKET

THIS IS where the real fun is to be had. You could spend your whole time in smart, air-conditioned shopping arcades but you would be missing much of the point of Hong Kong. The markets are more than just an inexpensive way of acquiring necessary goods—they are a mass entertainment. So clutch your handbags and wallets tightly, keep your sense of humour and set off.

At night, go to the Poor Man's Nightclub, down beside the Macau Ferry terminal in Central. Look out for jeans, T-shirts, anoraks, children's cotton pyjamas—none of much quality but all really *cheap.* Pick up Sony Walkmans for next to nothing, jokey digital watches, cheap and vulgar toys that the children will love—all for a song.

On Kowloon side, go to Temple Street market. This is much bigger and even livelier. Here young men sit shamelessly offering to make up watches to look like any of the famous names in the coloured photographs they display in front of them (no, I don't approve either, but I'm just a reporter telling how it is). At prices ranging from £10 to £25 for a look-alike Rolex, they seem a snitch. If a fake is not your line, then you can go for a really good-looking watch with very reliable innards for well under £20.

More inexpensive Walkmans, children's clothes (the markets are where any local resident with any sense buys the staples of the children's wardrobes), tennis socks allegedly by famous names like Fila and Dunlop for £1 a pair, shirts at £4 or £5 each, baggy trousers rather crudely made but very cheap, jackets galore.



Child's pyjamas with 'squeaky' patch from Temple Street night market. £2.50.

Stanley Market is the place to go during the day. On the south side of the island you can go by bus (much more fun than the air-conditioned limousines the taipans travel in). Catch a number 6 at the bus terminal in Exchange Square in Central and you will get there for 20p.

The shops and stalls have gone more up-market since I was last there. It is still the place for household linens — wonderful sheets, either completely plain or hand-embroideded for £22 a pair. You can even buy pure linen ones at about £50 a pair.

Look out for Lacoste and Polo *Laureo* T-shirts (remember many of the big names have factories in Hong Kong so these could be genuine) at about £4 each. Much of Europe's ski-wear is also made in Hong Kong so stock up if you are heading for the snow. Remember there will be fakes around so keep your wits about you. Haggle if you have the stomach for it and remember that the merchandise changes all the time. It may be Lacoste and jeans today, silk shirts and anoraks tomorrow.

Cloth Alley, Wing on Lane is the place for materials—everything from velvet to cotton, men's suitings and shirtings, Viyella at less than £2 a yard, cottons at about £1 a yard. Don't buy the imported stuff—you can end up paying more than at Peter Jones.

The Lanes, running between Queens Road and Des Voeux Road in Central is the place for really cheap luggage, handbags, T-shirts, jumpers, cotton Chinese jackets et al. Here you must compare prices and haggle a bit. You can buy a copy of a Gucci or Hermes handbag for a twentieth of the price of the real thing and I bought a fistful of silk ties (choose the patterns carefully) at about £1 each.

The Jade market has moved since I was last there. It is now to be found in the Jordan area on Kowloon side, in Kansu Street and Reclamation Street. It is open every day, including Sundays, from 10 am to 4 pm. Personally I would never risk buying here, but if you know what you are doing and are prepared to haggle really hard you can give it a whirl.

SLIPPERY CUSTOMERS

The smart shops in the Central district are full of the kind of chic footwear that you can buy in any smart shoeshop in the world. If a bargain is what you are after then you should head for Happy Valley and Causeway Bay. This is where the locals shop. This is where you can buy a shoerack of, say, flatties in every colour in your wardrobe at something between £9 and £15 a pair.

Wander down Wong Nei Chung Road, right beside the Happy Valley racecourse, and keeping your tastebuds alert, scrounge among the many shops.

There are many shoeshops in the area that will make to measure for about £26 a pair. A friend has used Nancy and John in the Leighton Road for many years and says her feet have never been so smartly shod.

For really excellent quality go to Mayer shoes and Handbags in the Mandarin Hotel. For about £60 a pair for men's shoes you will get a high-class pair of shoes made-to-measure. *He* does both men's and women's shoes (and handbags) and I'm told he is at best at copying existing shoes, rather than designing new ones.

LIVE WIRES

THE BEST advice I have to offer on this front is to do as much homework before you leave as possible. Take with you an up-to-date copy of prices at your local Rumbelows, Curry's or whatever, decide on *exactly which* models *you* want, and compare prices in Hong Kong in at least three different shops.

Always ask for a receipt with the serial number written on it. Also check that the serial number matches the one on the equipment you have bought. You will also need a worldwide guarantee.

Hong Kong may not be the bargain basement it once was, but there are *still plenty of* bargains to be had. In our group somebody bought a Canon Snappy camera for £20 — I had checked its *price* in the duty-free shop at London airport, where it was £53.95. The Konica Pop 10 was selling for about £28—here, at Dixons, it costs £39.99.

The pace of change in Hong Kong is fast, so it seems likely that the best bargains are to be had in newly superceded models.

It is also a good place to find the very latest gadget before it reaches the West. Nathan Road is the area for electronics, but keep your wits well about you. Delon, in the Ocean Centre terminal, is a *god, reliable, rather smart, elec*tronics-cum-photography store that specialises in the very latest thing and won't rip you off.

RED SALES

FOR A taste of "real" China go to at least one of the many Chinese department stores which specialise in selling products from mainland China. The most down-to-earth and, therefore, in some ways the most fun is Chinese Products at 80, Queens Road, a member of our party picked up theatre binoculars for £1; there are basic worker's clothes, some marvellous bargains in tableware and, of course, pillowcases at under £2 a pair, handtowels at about £1 each, and so on.

Biggest and lushest is the one by the Star Ferry terminus on Kowloon side — go there for silke crêpe de chine by the yard (about £7), for printed silks, for trinkets by the boxfull, for silk blouses (a bit too "ethnic" for my taste, but good value at about £30), for an amazing selection of beautifully worked household linen, and for some genuine antique jewellery.

DYNASTY REVISITED

SINCE I was last in Hong Kong the scope and quality of the antiques has greatly improved. Much of it has to do with the opening up of China: today some really beautiful, fine furniture is coming through, which, compared with prices of fine English furniture over here, makes it seem a snitch.

All the biggish Hong Kong shops and certainly all the good hotels are well used to shipping goods all over the world. The standard charge for furniture seems to be £90 for 1 cubic metre of space; this would allow you, for example, to ship back one quite large cupboard or two smaller ones.

If you like browsing, the real antique areas are around Hollywood Road. Start at the top and walk down, taking a detour into the stalls and shops in Ladder Street. Serious buyers should allow plenty of time because there is so much to look at: shops piled high with blue and white ceramics; long beads of amber, ivory, jade; silver; lights; Coromandel screens.

I was much taken with the old Chinese furniture and the antique Korean cupboards and chests (large shipments seem to arrive with great regularity). For between £600 and £1,000 you could buy a very fine piece.

CHOP CHOP

You will not fail to notice that some young Chinese girls sport hairstyles that put London crimpers to shame. The place to go if you need a trim or even a revamp is Le Salon (ask for Kim) at 67 Wyndham Street, near the Hollywood Road junction.

BARGAIN BASEMENT

HONG KONG being one huge factory, manufacturing for some of the smartest labels in the world, it follows that there are any number of outlets specialising in selling the overflow. The vital book listing them all is called Factory Outlets: most *bookstores sell it.*

Camberley in Room 813, Swire House, specialising in Anne Klein clothes, is on most people's top list. Wintex, too, at Room 404, Pedder Building, 12 Pedder Street, Central, warrants a regular visit.

HIGHLY SUITABLE

IF YOU expect to fill your suitcase with St Laurent look-alikes for the cost of an *Oxfam* number back home, then you are in for a disappointment. There can hardly be a visitor to Hong Kong who hasn't got a suit or a shirt that he *never* wears because he bought too fast, too cheap and too ignorantly. If you already own a suit that you are entirely happy with, then the best thing to do is to bring it with you and find out the name of a Hong Kong tailor (Shanghai ones, the pundits tell me, are better than the Cantonese) that a friend or business acquaintance can recommend.

Hong Kong tailors are infinitely better at producing exact copies than bridging the communication and taste gap that exists between East and West.

From all this it follows that expecting a good suit made in 24 hours is daft. Don't expect anything of much class for under HK$2,500, but at this price a good made-to-measure suit is still good value.

If you cannot persuade anybody to part with the name of their own tailor, then you will not go far wrong by going to a tailor in a good hotel. It will not be cheap, but it will probably be excellent value. A-Man Hing Cheong in the Mandarin hotel was recommended to me several times (particularly the branch at the back of the hotel, backing on to Chater Road).

The best place for men's shirts, I am told by a very well-dressed local resident, is Mee Yee in Stanley Street, where they cost about £25 a time.

If you are feeling adventurous and don't mind somewhat seedy surroundings, make a trip to Mr Cheng on the 2nd floor, 26 Hankow Road, (parallel to Nathan Road, Kowloon). Satisfied customers tell me he copies beautifully. If you buy your own fabric it costs about £9 a shirt.

It is important, I am told, for women to go to a ladies' tailor. Sik Jaci Co, at 64 Leighton Road in Happy Valley, will do skirts, dresses, good jackets. You can take your own fabric.

Another good women's tailor is Zeepha in Princes Building, right opposite the back of the Mandarin Hotel in Chater Road. They are not cheap, but they do good, sophisticated, skilled work. A well-dressed local contact goes to Priscilla Chen, 4th Floor, Hankow Centre, Hankow Road (behind the Peninsular).

ON THE ROCKS

HONG KONG seems to be lined with jewellery shops. Where do you start?

The first thing to remember is that, on the whole, Hong Kong jewellers are not high on design. Go to them for strings of pearls, coral, lapis, amethyst, rose quartz, or for diamonds, all of which may be had at prices considerably lower than in the West. The cheapest, but not the most attractive way to buy is to go to one of the wholesalers operating somewhere like the Kaiser Estate on Kowloon, where prices average some 30 per cent lower than in the *smart* retailers. You must have an introduction (apply to the HKTA) because numbers are restricted.

At Tse Sui Lueo, for instance, I found a bewildering selection of pearls in every colour, diameter and length: you choose your string and clasp separately and, if you can wait an hour, you leave with the finished necklace at a price ranging from HK$1,200 to HK$20,000 depending upon size, colour, lustre.

Be sure to ask for clear receipts. If you should buy a diamond you must ask for colour, clarity, cut and exact carat weight to be shown. With gold, all jewellers have to stamp the accurate *gold* content on the piece.

A local resident of many years standing speaks very well of Amerex International in Wing On Building. It is also a wholesaling operation, but she trusts them and goes to them for most jewellery needs, including the small christening and anniversary presents that occur in most people's lives.

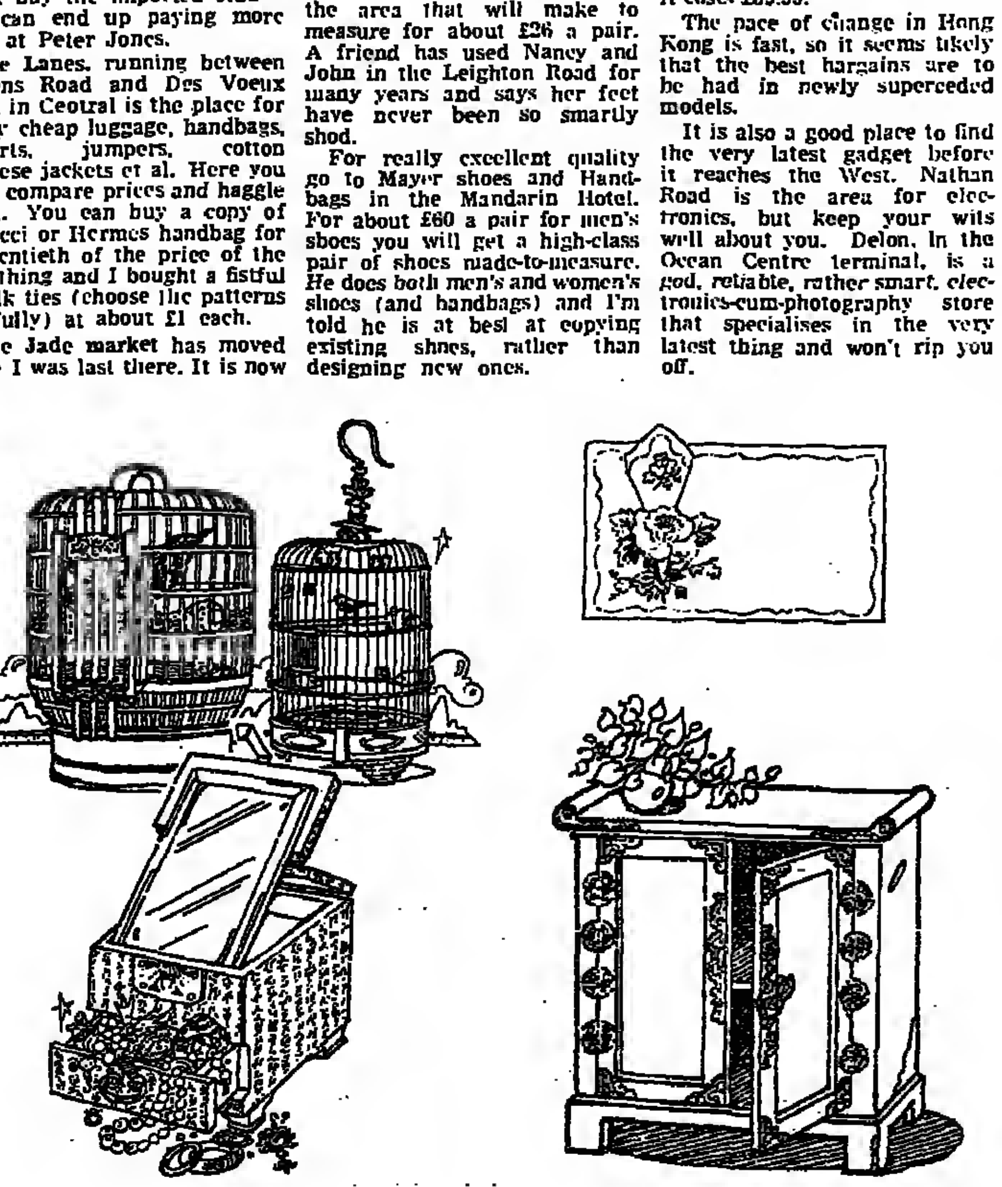
If you have stones that need resetting or beads that need restringing, take them along to S. H. Chan, in the Mandarin Hotel. Also Wai Kee in Pedder Street, who is good with silver, too, and will resilver worn objects.

Another Hong Kong resident *told* me she *always* goes to Papillon in the Tsim Sha Tsui Centre (1st floor) and she advises any visitor to buy pearls, pearls, pearls. Expect to pay something like £650 for a good double strand.

If you like the jewellery of Kai-Yin Lo—she combines old, antique pieces with new semi-precious stones, and her work has become something of a cult both in Hong Kong and in some Western circles—go to her own showroom on the 1st floor, 4-6 On Lan Street.

SPECTACULAR

GLASSES are very good value; opticians too, I'm told. If you need a new pair, carry your prescription with you and you can have new ones made up quickly and inexpensively.



Bamboo bird cages like the one above, left, can be bought in many street markets; a tray set, top right, £2 from Chinese Arts and Crafts, Queen's Road, Central. Below, on the left, a modern jewellery box with "antiqued" mirror £33 at the Annabelle Collection, 315 Ocean Centre, Kowloon. The antique Korean chest, below left, is from a fine selection at Kim's Gallery, 5 Hollywood Road, at prices ranging from about £500-£2,000.

Illustration: Anne Morrow

Dream remembered on waking

THE AUDIT OF WAR: THE ILLUSION AND REALITY OF BRITAIN AS A GREAT NATION.
by Corelli Barnett. Macmillan, £14.95. 359 pages.

WHAT constitutes a great nation bas been, is, and doubtless will be, a matter of controversy. So too, more fundamentally, is the question of what constitutes "illusion" and what "reality." In his large new book—in some respects, a aequel to his earlier volumes—Corelli Barnett traces back Britain's industrial deficiencies ("the British disease," as he and otbers have called it) to the Second World War, the period when there was the strongest shared sense in this country and abroad that Britain was a great nation.

It was illusionary, he argues, to propose the creation of a "new Jerusalem" in the middle of that long and crippling war whicb was, after all, largely paid for by tbe Americans. *Nevertheless*, while there were men in Britain hebind the scenes well-informed and clever enough to appreciate this, they were incapable of cbanging the new Jerusalem approach or the mood and values wbich went with it.

As an Inevitsble result, after the war scarce resources were diverted into "welfare" wbich might have, and should bave, gone to industrial investment. There was no possibility, therefore, of an "economic miracle." Moreover, wartime fantasy was compounded by post-war fantasy, the pretence that Britain's role was still that of a great world power.

Meanwhile, the educational system, backward when war broke out — and already a familiar Barnett thesis — waa not improved as a result of Butler's much publicised Education Act of 1944. While it was taking shape, far more time was devoted to "skull emptying seasions with gentlemen of the clotb" than to seeking an efficient system of technical and commercial training; and when it took shape, it was an "enabling" measure only.

The "liberal fundamentalist" philosopby that provided its momentum was that of tbe Norwood Committee, which in 1943 bad produced an "amazing" document on the future of secondary education at a critical juncture in British history. Notbing "realistic," even relevant, could have come out of a report adorned on its title page with a quotation from Plato In Greek, together with a translation "for the benefit of any passing businessman or electronics engineer."

Seeking with difficulty and not alwaya with goodwill to cope with its immense post-war problems, Britain was impossibly handicapped by the lack both of a well-trained and, equally or even more important, a well-led work force. Barnett says little about leadership as sucb (a weakness) or about the complex relationsbips between ownership and management; but in his dissection of other war-time reports besldes that of Norwood, many unpublisbed, he Is as scathing about Whitehall as he ia about Oxford, Canterbury or Winchester.

He quoted, for *example*, a Ministry of Transport report of 1943 dismissing a national motor road system on the grounds, first, tbat it would go "beyond reasonable needs" and, second, that it would launch out "on a scale advocated by some enthusiasts who are perhaps unduly influenced by Continental analogies." The civil service qualification "perbaps" sticks out as mnch as the anathema-word "unduly" and the pejorative word "Continental."

Barnett does not spare industry. He includes a brilliant chapter on shipbuilding, a chilling chapter on coal, a debunking chapter on aircraft and a deeply depressing chapter on "the dependence on America: radar and much else." He ends his book, bowever, not with the economy but with society. At some unspecified date after 1945, "a dream bad turned into a dank reality of a segregated, sub-literate, unskilled, unhealthy and institutionalised proletariat hanging on the nipples of state maternalism." It sounds as if the date is the mld-1970s; bnt is the preference for the word "maternalism" over the more familiar word "paternalism" an oblique cross-reference to Mrs Thatcher?

Barnett's is a formidahle book, essential reading for as many people as possible. It claims to be an "operational study," an audit not an essay, and it is bitterly scornful not only of Norwood—or Beveridge—*but* of people wbo *write* essays about "the British disease" instead of trying to cure it. He is particularly scathing about "romanticism," far too comprebensive a word for him in his vituperative vocabulary. In fact, nonetbeless, his language is as colourfully romantic as that of any essayist and his cure is no more precise.

What this remarkable book is *not* is balanced history. Far too much is left out, as is plain even from his bibliography, and far too much is simplified. Only occasionally, as on pages 61-2—so rarely that it ia possible to be completely precise—does be attempt to deal with a diametrically different argument; in this casa, the one put forward by other historians (names not given, not even in the bibliography) that tbe British war economy compared favonrably with the German in terms of overall planning and organisation. Women do not figure in his book. Nor does agriculture. The worst in other economies and societies is deliberately kept outside the terms of the audit.

The book begins with the "prophets of the new Jerusalem," a far more diverse group in motivation and outlook than be claims and not all of them prophets in any guiae; and it ends with a generalised proletariat. Chapter 10 on "Tbe Legacy of the Industrial Revolution," one-sided and based on limited sources, should have preceded Chapter One, "The Dream of a new Jerusalem." Tbere would bave been no sucb dream during the Second World War bad it not been for the brutal facts set out in Chapter 10.

Nor were *all* the *so-called* war-time dreamers living in a world of illusions. Surely Ernest Bevin deserves more attention than Kingsley Wood, who appears as an unfashionable hero because he thought in terms of an auditor. "Reality" might be easier to take account of than "illusion," but can any society survive in dark days without bope and vision? They were part of tha greatness.

Asa Briggs

Whose obedient servant?

WHITEHALL: TRAGEDY AND FARCE
by Clive Ponting.
Hamish Hamilton, £9.95.
256 pages.

CLIVE PONTING was the civil servant at the Ministry of Defence who passed documents about the sinking of the Belgrano to Labour MP Tam Dalyell, was accused under the Official Secrets Act, and eventually acquitted at the Old Bailey.

He bas not written a very good book, but it does contain one story wortb an bistorical footnote. *Ponting was* once in charge of trying to cut the costs of training the armed forces' musicians. There were three aeparate scbools for the different services and the obvious solution of a single school had long been opposed by service interests.

It took three years to reach a declsion which, in the end, was entirely political and saved no money. Michael Heseltine, the Defence Secretary, said: "I'm fed up with all these bases in the south-east. You can go anywbere you like as long as it's north of Birmingham." When Peter Raes, *the MP for Dover*, became Chief Secretary to the Treasury, Heseltine quickly settled for Deal, whicb previously bad been ruled out as being too expensive, because it was in Rees's constituency.

For tbe rest, Ponting's book is a scissors and paste job, based mainly on selective quotations from the Crossman and Castle diaries which tend to show British government at its worst. There Is no recognition that even Crossman and Castle sometimes saw it working relatively well.

The two obvious criticisms of the book are that Ponting sbould have been perfectly capable of realising the imperfections of the system long before he started leaking documents; and that if you are going suddenly to denounce the system lock, stock and barrel, it would be helpful to say what migbt be put in its place. That Ponting scarcely does, except to say that Section II of the Official Secrets Act should be reformed and that there sbould be a wider intake in the civil service.

Implicitly, bowever, the book raises one important question. What happens when a civil servant begins to have doubts about what be is doing or being asked to do? In theory, he can go to the head of his department and, ultimately, to the head of the civil service and "transfer the burden of conscience" as Sir Robert Armstrong, the present civil service bead, bas put it.

Yet, how many of them are going to do that, especially in a department as large as the Ministry of Defence? What they need is a shoulder on which to cry at a somewhat lower level. The machinery for that does not exist, and the strain sometimes tells—as it did in Ponting's case.

It is not just Whitehall: tragedy and farce. There is sometimes comedy in the middle. Ponting seems to have very little sense of humour.

Malcolm Rutherford

The free press gang

RUPERT MURDOCH
A Paper Prince
by George Munster. Viking. £12.95. 291 pages.

EDDIE SHAH
and the Newspaper Revolution
by David Goodhart and Patrick Wintour. Coronet. £2.95 paperback. 303 pages.

YOU NEED not turn away from these titles muttering that if you see another hook about newspapers you will scream. For they are not about newspapers — not really. Proper books about newspapers would concern themselves with news, opinions, the role of information in democracies, the nature of popular or posh journalism—in short, the content of newspapers and the effect of that content upon readers or advertisers.

What we have here is something almost as interesting: the stories of two botly driven energetic entrepreneurs at work in a world in wbicb capitalism has been racing hack into fashion. Rupert Murdoch's conglomerate appears to be only incidentally in "communications" — and the word is stretched as far as airlines, which are communications of a sort. Eddie Shah appears to have drifted into newspapers — but, from this account, it might as easily have been double-glazing (and, indeed, in the final pages we have our Eddie *wondering* whether be might become the new Lord Hanson).

The old-fashioned among us will sigh and mumble that it is all a great pity. Newspapers ougbt to be conscious of their responsibilities as part of the Fourth Estate; daily journalism ought to be as bonourable as any other profession. Alas, the raality is otherwise.

When supporters of the Labonr Party, or parties further to the left, protest that "freedom of the Press" is a deception and that workers are the victims of a capitalist conspiracy to fill their minds with trivia and pictures of naked women, they are exaggerating, of course—bnt only up to a point, Lord Copper. Among the serious Press, only the Guardian is consistently anti-Conservative. The older middlebrow newspapers — the Daily Mail and the Daily Express — are totally Tory, and if Mr Shah's new Today lives up to its promise of being sort of SDP-ish, that will hardly be seen as making up the balance in favour of the left. Lower down, there Is Robert Maxwell's "Labour" Daily Mirror; and lower down than that, the Star. Both are hest regarded as part of the entertainment industry.

The easy answer is that all cures are worse than the disease. So they seem to be: a "*right* of reply," or a tax on advertising designed to provide funds for Opposition newspapers, or, most lamenlable of all, the publication of official newspapers, would be grotesque intrusions into the right of editors to publish what they wish (or, in too many present Instances, wbat their proprietors wisb). The free play of the market, in short, is the least of all evils and the one we must put up with. Tbis might be so, but the market *is* not serving either democracy or the profession of journalism particularly well right now. Tbe principal reason is that the men who rise to tha top and become proprietors seem to be sucb cold and calculating capitalists themselves.

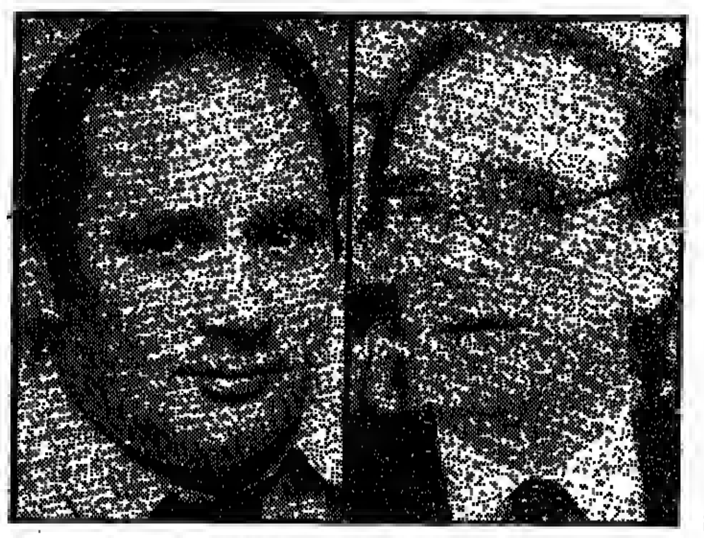
I admit that there is nothing new in this. The most absorbing part of George Munster's account of the early career of Rupert Murdoch is the chapter on his father, Sir Keith. He was a protegé of Lord Northcliffe's and sucb a good learner that be acquired the nickname, when hack home, of Lord Southcliffe. He made his political alliances, in both Britain and Australia, and advanced his career accordingly.

It is plain that Sir Keith's son was a devotee, a man inspired to matcb and exceed the successes of bis father. This he has equally plainly achieved, in three countries. The late Mr Munster's account is intimately Australian; you need to have prior knowledge of the characters in Down Under politics and Press to appreciate all of it. For those of us who do not have that knowledge, tbe aheer rongh play is instructive: if the leaders of Mr Murdoch's Britisb print workers had understood his Australian roots, they would never have doubted that, when tbe time came, he would not hesitate to pull the trigger.

Of course, you have to admire the business achievement, wbich is lmmense. Anyone who has constructed such a huge multinational conglomerate from such relatively small beginnings must be regarded as a prime mover within his industry. He *has naturally been determined*, hard, ruthless. How else could he have dona it?

Well, he could not have done it without certain other qualities that seem to be essential if an entrepreneur is to succeed on the grand scale. A willingness to take risks and, indeed, to lose money, Is one. An ability to think of unorthodox solutions Is another. But it is the third that seems from Mr Munster's account to be the most vital. It is, simply, opportunism writ large: a willingness to grasp the chances provided by the market, and tbe law—and, if necessary, to work hard to create new opportunities.

It looks as if Mr Shah is not all that different. The highly readable account given by Messrs Goodhart and Wintour includes plenty of information about the recent history of newspapers in Britain and, in its hackground chapters, toucbes upon such matters as the nature of newspapers and their politics—but It is at its best, and most fascinating, wben sbowing the newest proprietor in close-up. He Is apparently a man of great charm (to which they have undoubtedly succumbed) but, tbe book indlcates, he is also vain, self-centred, driven by relentless energy and ambition, a boss who must have his way—surely, when it comes to it, a ruthless capltalist.



Fourth Estate agents: Shah and Murdoch

We shall see. What we already know is that Mr Shab has tha other essential qualities: unorthodox thinking (his forte), a willingness to take risks, and the necessary opportunism. The opportunity was first provided by the senseless mass picketing of his local newspaper in Warrington, and subsequently enhanced by the inability of those great ruthless, opportunist combines—the NGA and SOGAT—to come to terms with a world in which the balance of legal and industrial power had swung against tbem.

The two printing unions createt Today, which is manufactured without eitber of them, just as surely as their behaviour over the past 30 years laid the foundations of Mr Murdoch's fortress at Wapping.

A sense of what this bebaviour has meant can be found in the scrupulously fair reporting of Messrs. Goodhart and Wintour; althougb to those wbo have seen Fleet Street unions at work, tbe writers may sometimes seem to have been a shade too fair.

It is at this point that we need to pause and think about newspapers. With the print unions In full retreat, it should now be possible to start new, low-cost titles: we have Mr Shah (and Mr Murdoch) to thank for that. The market sbould be able to produce a greater variety of titles, catering for more interest-groups and contrary opinions. By destroying the labour monopolies, capitalism has belatedly begun to work.

Tbat, however, is not likely to be enough. The legal framework in which trade unions (and proprietors) operate is imperfect—the time is ripe for new, more comprehensive and more balanced labour laws—and for new anti-monopoly legislation that works. Then, if the Left failed to produce a sufficiently robust press of its own, it would have only the character of its leaders and the marketability of its ideas to blame.

Joe Rogaly

Lives ruined by spite

BELOVED QUIXOTE
The Unknown Life of John Middleton Murry
by Katherine Middleton Murry. Souvenir Press, £14.95. 219 pages

THIS IS an interesting and complicated hook. Neither memoir, nor biograpby, nor literary commentary, it tries all three by turn—besides incorporating cbunks of Middleton Murry's unpublisbed journals. In fact, these undigested examples of an extraordinary man's inner thinking are the most fascinating part of tbe book, counterpoised as they are to his daughter's childhood recall of the same period. In 1935 he noted: "I would like to have written more on this Man-Woman business. I think I discern some basic rightness in this impersonal destructive activity towards the Man: some essential and necessary test upon him . . ."

Tbis Man-Woman business turns out to he the central theme of the book for the lives of Katherine and her brothers and sisters were made miserable by the almost insane rages of their father's third wife, Betty, wbom he married In order to make a living experiment of D. H. Lawrence's views on the female-male relationship. In attempting to explain what seems inexplicable foolishness *in* marrying his bad-tempered and nearly illiterate bousekeeper two months after the deatb of his beloved second wife, Violet, Katherine returns to his relationsbip with his first wife, Katherine Mansfield.

Her influence (and also the influence of Lawrence who, according to daughter Katherine suffered from an unrequited bomosexual love for ber father) continued over him all hia life. Sbe sees her own mother, the innocent Violet, as Murry's attempt to recreate wife Katherine, fulfilled heyond all likelihood by Violet managing to die in the same tragic way as ber predecessor.

One of the interesting complications of the book comes from tha author's attitude. On ona band, she is the devoted and loving daugbter who *watched* in *sympathetic* agony while ber brilliant father allowed his own life and the lives of his children to be ruined by tbe powerful spite of a crude and violent woman. On the other hand, it must be obvious to her as she quotes from the journals that most people will judge her father critically for what amounts to cruelty, however well-intentioned, towards his children.

Furthermore, in the course of the 10 *miserable* years she describes, Murry manages to escape into two love affairs (an option hardly open to his children) and eventually makes a fourth and final happy marriage — too late, unfortunately, to help the children.

There is an unpleasant irony in a journal entry for 1936 at a time of great family unhappiness: "More and more, I come to feel that children are more important than anything: and that tbe kind of *understanding* I have with them is the most precious thing in my life. Children really are wounded. And the profundity of Christ'a simple doctrine, 'See that ye offend not ooe of these little ones,' is unsoundable."

Much is forgiven the intellectual. Dnring all this period, Middleton Murry was thinking and writing on Keats, Goethe, Blake, Wordsworth—while Lawrence and Katherine Mansfield were constantly on the tip of his pen. However, he entertains ambitions other than those of the common intellectual, being intent on founding a new socialist kingdom. Aside from his inability to run such a place when proper premises were acquired, tbis seemed to be a source of particular frenzy for Betty who proclaimed herself stoutly Conservative and, when wisbing to make her point stronger, broke a table over his bead.

Katherine Middleton Murry has written this book "to discover the reasons for the tragedy from whicb my father, to the despair of his brothers and friends, could not be deflected." She *quotes sympathetic* clues, such as his early note that it is more important to love than to be loved. The blurb claims that *Beloved Quixote* portrays the true nature of a man whose public image has too often suffered at the bands of his critics. True nature or not, a misguided marriage, as painted by the main victim, is unlikely to gain him more admiration. In 1937, his thinking took a new turn. Katherine comments: "Christian pacifism, my fatber now felt, was the only way of coping with the microcosm of the warring world (Betty) and its macrocosm (fascism)."

The success of this deeply emotional memoir lies in discovering the equation betweeo Murry's private experience and and his public stance. There remains the niggling suspicion that a daughter's-eye-view can never be objective.

Rachel Billington

Very Ernest affairs

ALONG WITH YOUTH: HEMINGWAY THE EARLY YEARS
by Pater Griffin. Oxford University Press, £12.95, 258 pages.

HEMINGWAY: A BIOGRAPHY
by Jeffrey Meyers. Macmillan, £16.95, 644 pages.

THE HEMINGWAY WOMEN
by Bernice Kert. Norton, paperback £8.95, 555 pages.

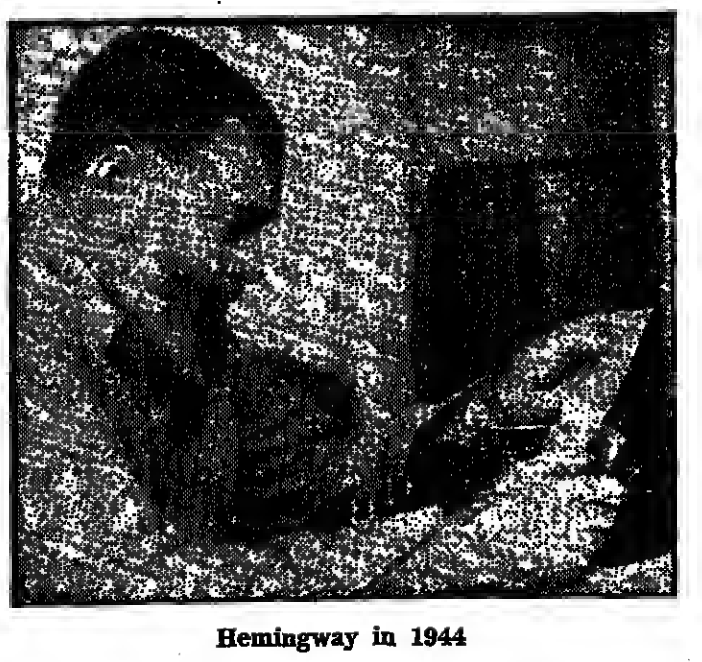
IN THE telling conclusion to his Paris memoir, *A Moveable Feast*, Ernest Hemingway cbastises himself for succumbing to a love affair which would lead to the hreakup of his marriage to his first wife, Hadley Ricbardson. It waa Hadley who toughed it out with him in frugal, bohemian circumstances during his formative years and who gave him his first soo, Jack, better known by his nickname Bumby.

Hemingway'a reference to his first wife — there would be three others — is swathed in melancholia. It is likely that guilt over the end of that marriage stayed with him throughout his life. Indeed, love and loyalty and human treachery are as much themes of bis works as are tbe more publicised subjects of action, violence and death.

Hadley was not his first real love. That distinction belonged to Agnes von Kurowsky, an American nurse who tended the taenaged Hemingway's numerous ahrapnel wounds during *his convalescence* in Italy in 1918. She let him down after he had committed bimself to marrying her.

The two women dominate Peter Griffin's *Along with Youth*, wbich cbronicles the first 21 years of the young Hemingway's life, concluding just as he and his new wife, Hadley, prepare to set sail for an uncertain future in Enrope.

Mr Griffin brings to sparkling life suburban Chicago, Kansas City, war-time Italy, and, above all, the outdoor *beauty of* upstate Michigan, land of the *Big Two-Hearted River* and the other stories that were to help make the Hemingway legend.



Hemingway in 1944

The book reminds us of the importance of Hemingway'a days as a $15-a-week cub reporter with the Kansas City Star, and the influence of the *Star's* style sheet on the aspiring author. "Use short sentencea. Use short first paragraphs. Use vigorous English. Be positive, not negative." How quickly be was to obey *those* commands is borne out in five previously unpublished short stories unearthed by the biographer, some of which accompanied love letters sant to Hadley.

They display the flair for dialogue and crisp writing that were to dominate bis writing for the next *40 years, putting* the lie to auggestions that these skills were acquired under the spell of Gertrude Stein in Paris.

Jack Hemingway, in a foreword, praises Peter Griffin for infusing bis father once again with life and feeling — something missing, be says, from tbe otherwise exhaustive Hemingway biography by Carlos Baker, published in 1969.

There is plenty of life to the *Hemingway* described in Jeffrey Meyers' full-fledged biography, whicb now must rival Baker's as a basic reference work. One cannot but wonder if he has not gone too far in accenting the coarse side of Hemingway's character; the slanging matches with critics and friends; the fisticuffs, both in barrooms and inside the ring and, in one case, in a publisher's *office*; the duplicity with wives and girlfriends.

Certainly, Meyers bas benefited from the 17 years of scbolarship that have come to light since Baker's work, and the more intimate approach to biography that has emerged since that time. Indeed, one has scarcely to turn a page to find aome reference to sexual misadventure or proclivity.

He notes, often in close detail, Hemingway's habit of basing stories on easily traceable personal experiences. *The Sun Also Rises* likely would have been actionable, in British courts at least, had the Pamplona mob described therein had their wits about them. But even they look positively conventional compared with the unsavoury figures moving into and out of Ernest and Hadley's circle in those Paris days.

Meyers grants that Hemingway was less a philanderer than has often been auggested (although, with only a few exceptions, his affairs inevitably had the calamitous effect of leading to divorce and remarriage). And Meyers skilfully uses the tecbnique of flashback and flashforward to relate Hemingway'a views and experiences in the context of published works.

Meyers does not diminish Hemingway's overwhelming personality; given bis intense relstionships, his zest for adventure and his extraordinary devotion to craft, you cannot help but wonder that something did not give sooner. The first casualty might well have been the short story. During the 1920s and 1930s, Hemingway became one of this century's masters of the form, but short works virtually dropped from his output after bis Spanisb Civil War phase.

Tbat Meyers does not address tbis question directly is regrettable. But perbaps an answer of sorts is provided given the more reflective nature of Hemingway's post-war works, the effects of a constant high consumption of alcohol (estimated at a quart a day in his Cuban years) and tbe mounting fatigue on mind and body from too many accidents and too much adulation. Meyers grinds out the narrative of Hemingway's final years in sad and unrelenting detail.

It was Anthony Burgess who, in explalning Hemingway's frequent and unaccountable hursts of vindictiveness towards his friends, said: "Perhaps he had more of his mother in him than he'd care to admit."

His dislike for his mother ls the launch point in *The Hemingway Women*. Author Kert claims access to aome of the women wbo survived Hemiogway. Hers is less a litersry review than an analysis of life with, and after, the autbor from the viewpoint of his intimate companions. Tbere are colourful vignettes of Martha Gellhorn, wife number three, and, particularly, of Lady Duff Twysden and Pat Guthrie, the Lady Brett Ashley and Mike Campbell of *Sun Also Rises* fame.

A point missed is that, while Hemingway's women were often hard-done-by in real life, they were rather better treated in fiction—with the exception of Margot Macomber—than were his men.

Frank Gray

Solution to Chess No 612

Black missed 1 Q-R3 ch, K-N1; 2 Q-K3, P-KB4! 3 N-B6 ch (or 3 PxP en passant, QxQBP attacks the pinned knight), K-B2; 4 NxR, RxN; 5 P-N6 ch, K-B1 wins the pinned white queen.

Fiction

Down with hype

DEAR SHADOWS
by Max Egremont. Secker and Warburg. £9.95. 311 pages.

MISS ABIGAIL'S PART OR *VERSION AND DIVERSION*
by Judith Terry. Cape. £9.95. 328 pages.

AUGUST IN JULY
by Carlo Gebler. Hamish Hamilton. £9.95. 188 pages.

GOING HOME
by Freny Olbrich. Sidgwick and Jackson. £9.95. 246 pages.

LORD EGREMONT, the author of *Balfour and* of a well received novel called *The Ladies' Man*, haa in *Dear Shadows* written a book with an unusual but highly topical theme: it is one that more authors ought to tackle, since it ls relevant to the disastrous decline in literary standards which many allege to be taking place at this moment of new colour newspapers and enormous publishers' mergers.

Simon is both a realist and an idealist. He is the former (or tries to be) as a member of the publishing firm, once his family's, whicb has long been absorbed by a conglomerate which deals in, among other things, car components and men's underwear. As one who is trying to hold the line against even more vulgarity and hype in his firm, as the lover of the wife wbo has left him, as a romantic friend, he is a dreamer and an ldealist.

We catch him at a time when he is on the verge of a breakdown. He is beset with doubts about Harry Brown, his firm's most profitable author: is he a sort of genius or does he produce trash? He thinks that his neighbours' passion for each other holds some sort of menacing message for him. His ex-wife's tycoon busband seems to be involved in attempts to control the firm. He is threatened tbrough his children.

Lord Egremont's novel is told in the most straightforward manner, and lt must be said that it lacks style or brilliance. But it is admirable and perhaps quite courageous. Simon is the kind of decent man who bas been required to take too much falsity: by displaying to us the manner of his disintegration—often with bumour and always with sympathy—Lord Egremont manages to affirm tbe invincibility of the truly human. The portrait of Harry Brown, whose belief in himself as an "artist" ia sincere, is very finely executed. It is sympathetic and yet underlines tbe awkward fact that purveyors of junk are very rarely aware of lt, and actually do cry on tbe way to the hank.

Tbis is not more than a competent novel, and it has its *longeurs*. But competence has become unusual: what now passes for it is frequently so incompetent — and sometimes disgusting in its fraudulent manipulations of reality — that a "normal" aensibility is rare enough to deserve praise. I recommend this to serious readers' attention.

Judith Terry, who is now a university teacher in Canada, but wbo was brought up in England, has taken a brave risk which bss not come off. But the result will interest some — at least in the terms of intelligent literary criticism. *Miss Abigail's Part* is an historical novel exploring aspects of life "which Jane Austen chose to omit." The narrator is a lady's maid at Mansfield Park. The style is perhaps modelled upon Miss Austen'a, but the subject mstter of this picaresque narrative is modelled on the sorts of thing Miss Austen left out: aexual desire, political agitation, the seamy side of London in the years after the Napoleonic wars.

I could see little point in this exercise, and the relevance to Jane Austen escapes me. But it is quite a romping yarn for those who like romping yarns.

August in July la about a lonely, 60-year-old exile, a Polish immigrant to Britain wbo earns his living as an estate agent.

Max Egremont: highly topical

The novel consists of his notebook whicb, apart from describing what happens to him on the eve of the Royal wedding in 1981, contains many retrospective passages. This is a meticulous atudy, done with great sympathy. The problem is that its low-keyedness too often becomea mere banality. There is much love for tbe lonely Pole, August, and this is touchingly conveyed; but psychological penetration is a little lacking, if not undeliberately. People do, after all, attract tbeir own loneliness; we aren't really shown how August does thia. Nonetheless, *August in July* is a thoroughly honest and loving book.

Going Home, by an English author wbo grew up in Bombay, is (as its title rather unhappily suggests) an attempt to invade territory already claimed by the late Paul Scott. It is an up-market family saga set in India in the early years of this century. As any kind of serious guide to India or the Indians in that period, *Going Home* can hardly be taken seriously. But seriousness at that level is rare. On the other hand, this is quite robust and readable, as well as intelligent. And what used to be called stodginess apparently has appeal.

Martin Seymour-Smith

(هكذا من الأصل)

Sculpture at the Royal Academy

A bizarre Icarus rises

LOVE, DEATH and high theatre mark the Royal Academy's spectacular tribute to a sculptor whose reputation has been dead for over 50 years. *Alfred Gilbert, Sculptor of Eros, 1854-1934* (until June 29), is a triumph of design and scholarship. Spotlight against black drapery and framed in a doorway, the first sculpture sets the mood. A naked youth swoons under the kiss of a great, heavy-winged angel whose exquisitely carved hair curves across his marmoreal flesh. Far more bizarre works are to come, yet at once we discover a disturbing, even repellent, but fascinating artist.

Like the *arabesques* which Alfred Gilbert loved to fashion in his jewellery, his career rose and fell, and rose again. The *Shaftesbury Memorial*, better known as Eros, marks the first peak. Yet already the flaws which were to bring ruin were in evidence. Unveiled in 1893, the commission had taken seven years; it flew in the face of what Gilbert's patrons desired. The public adulation in which Gilbert had frolicked throughout his 30s, like a putto in the waves of the pedestal, began to dry up. Gilbert was heading for bankruptcy, exile and public disgrace.

But the man publicly denounced as a thief and a liar, forced to resign from the Royal Academy for professional misconduct, rose again. His second peak was the Alexandra Memorial of 1932 where Eros is London's favourite statue, this is only the most bizarre. As in that first *Kiss of Victory*, an androgynous young person lies passive in the arms of a brooding, masterful female. Years in the wilderness had not softened the old man's egotism, for Gilbert regarded his knighthood as too little and too late. Only a peerage would have done—this from a monarchy he had treated in the past like an importunate tradesman.

Gilbert's life is outrageous, hilarious and pathetic; it is oppressively important for understanding his work. Richard Dorment, whose acclaimed biography of Gilbert appeared last year, created the exhibition. He is an enthralling guide to the symbolism which, in later work, becomes incomprehensible as Gilbert mined his dreams and bitter, self-pitying memories.

"Icarus," made in 1884

Typical of this tendency is the first batch of saints for the long-delayed Tomb of the Duke of Clarence. Gilbert plays havoc with traditional iconography: the result is overwrought, over-heated and curiously adolescent. St Michael the Archangel has Lucifer's cloven hooves. Instead of the Virgin of the Rose-garden, beloved of late Gothic art, we have a lady engulfed by a briar-rose, spreading like some monstrous graft over her passive body.

Suffocating bondage is a repeated theme. Britannia and Saint George are imprisoned in fantastical armour, fashioned with exquisite skill by Gilbert the jeweller. The central bronze panel for *Death, The Door of Life*, shows Love Bound by Whispering Angels. Could one find anything more macabre than this monument to a doctor and his crazed wife, with the receptacle cut in the lady's head to receive the ashes of the sculptor she adored?

Eros is last in the series of Gilbert's great studies of adolescence, but unlike them, he is revolutionary in being made of aluminium. Experimenting with new metals and contrasting materials gave colour to Gilbert's work. In 1886 a new smelting process had made aluminium vastly cheaper. It was typical of Gilbert's inventive genius to see the silver grace which the metal would give his aerial youth. In its generous sponsorship of the exhibition, British Alcan Aluminium commemorates the centenary of the new smelting process.

The technical mastery which was Gilbert's hallmark nowhere appears to better effect than in the magnificent bronzes of the second room. Here also we most appreciate Piers Gough's design, which brilliantly evokes both the sculptor's workshop, with works casually placed here and there, and a Victorian home swathed in mourning. Spotlights bring out the superb patina of the original casts, and the subtly inferior quality of later copies. Icarus's shadow on a floorboard hints of vulturine menace.

Anyone should be won over to Gilbert by these masterpieces, *Perseus Arming*, *Hymen*, *Icarus* and, in the first room, *Head of a Young Girl*. Marvellously intense studies of mood, these portray wrapt concentration together with a melancholic, unconscious sensuality. Icarus, is pausing before his fatal flight is superb. It was a prophetic choice of subject for a sculptor who aimed so high. Yet Gilbert was no stripling youth he was a stocky father of five when he created this masterpiece. Perhaps he knew he was the *artiste maudit*, for on the pedestal, a dove spreads its wings in the smothering embrace of the serpent.

Patricia Morison

Kedleston Hall

Trusty friends needed

KEDLESTON HALL in Derbyshire, the mansion built by Robert Adam for the Curzon family, is passing into the hands of the National Trust. A deal has been put together which should enable the Trust to take on the hall, the contents of the house, and the park, but it still needs to raise another £2m by a public appeal.

Negotiations to secure Kedleston have been long, heated, and tortuous, mainly because of the numerous beneficiaries under various trust funds. Kedleston had to be sold to raise money to meet capital taxes. The package now concocted is built around a £13.5m contribution from the National Heritage Memorial Fund, which secured the house, much of the contents and provided cash for maintenance.

Now Lord Scarsdale, head of the family, has made over the property plus cash of up to £2.5m, and the National Trust has contributed £1m from its own resources. But there is still the £2m gap, and Friends of the National Trust, in both the UK and the US, will be expected to rally round.

Kedleston is one of the grandest 18th century houses in the country. The sum of money needed to acquire it and endow it seemed formidable, but over a year ago the Department of the Environment came up with a surprise £25m, which was to secure the future of Kedleston, plus Lord Bradford's home, Weston Park, and the contents of Nostell Priory. The money did not, in the event, seem to be adequate, and negotiations have dragged along.

Now that a deal has been finalised on Kedleston there are high hopes for the preservation of the Chippendale furniture at Nostell Priory. Talks continue about Weston Park but Lord Bradford is easing his capital tax problems by selling some of the contents through Christie's.

Antony Thorncroft

Saleroom

The British are coming

"Femme au lit," a 1927 work by Tsuguharu Foujita

THE RICH young yuppies from the City's money and commodity markets, plus the stockbrokers riding high on the current boom and the coming Big Bang, could well be speeding some of the money that escaped the Chancellor's claw this week at Sotheby's (and Christie's) auctions of Impressionist and modern paintings next week.

Until recently the London salerooms only acted as a clearing house for these works of art—around 70 per cent of the paintings and sculptures on offer came from abroad and the same proportion, or more, left the country after the auction.

Now, for the first time, there are signs of a significant British buying interest. Traditionally the nouveaux riches have taken their tentative steps as art connoisseurs by buying Impressionists—acquiring those pretty, and not too large Renoirs, Monets and Pissarros that look so decorative on the walls of modern apartments.

Americans and continental millionaires have been buying Impressionists for generations. The Japanese (plus a few Arabs) got the habit in the 1970s. Now it is the turn of the British. For Impressionist and modern pictures are the great investment market. The artists are highly regarded by historians; there is a comprehensive literature; there are enough works available to form a market; they are colourful and have a contemporary appeal (none of the religious and mythological subject matter which makes Old Masters such a challenge); and they have a good record for price appreciation.

In New York, where the major Impressionist and modern sales are held, Sotheby's would reckon on a score or so potential new collector-millionaires at every big auction.

Since 1960 the price appreciation among Impressionist and moderns has been pretty constant. They have become the bedrock of the prosperity of the auction houses, accounting for well over a quarter of Sotheby's £500m sales in 1985. The revenue from one hour spent selling off a choice collection of Impressionists can exceed one year's labour in a more intricate sector like portrait miniatures or icons.

Next week's sales at Sotheby's are good without being sensational (Christie's has never been able to match Sotheby's in this area but probably still has the edge in Old Masters). One reason for the absence of masterpieces is the steady rise in their value—the owners are sitting on them watching them appreciate. As a result, what might have been considered attractive second division artists five years ago are now fetching exceptional prices as new collectors compete.

For example, the work of Gustave Caillebotte featured prominently in the shows organised by the "Impressionists" in the Paris of the 1870's and '80's when they were regarded as beyond the pale by the Academy. But this century he has made a negligible impact. In 1982, Sotheby's sold the Pauline Cave collection, featuring Caillebotte, for some remarkable prices and, as a result, owners of Caillebottes have been sending their paintings to the auction houses. "Portrait de Pierre Rabot," painted in 1893 and the artist's last portrait, carries an estimate of £55,000-£70,000.

It is the same with the 20th-century German school, which sank temporarily without trace beneath the domination of Paris. Now they are back in favour and a German expressionist work, like "Am abend oder Claudia" by Franz Radziwill is forecast to sell at £50,000-£70,000, over treble the estimate of five years ago.

Other artists now keenly competed for include Marie Laurencin, Foujita and de Chirico. Chagall has enjoyed a boost since his death last year (a good example is on offer for £150,000-£180,000) and there are attractive paintings by Dufy (one of Henley Regatta) and Boudin. A Monet (no surprise) carries the top estimate of £350,000-£450,000 (it sold for $230,000 in 1980) but historically the Van Gogh of a pair of lovers is more interesting—they were part of a larger canvas which he disliked and destroyed, retaining this small (12 in by 9) section.

Also on offer are versions of Rodin's two most famous creations, "Le baiser" and "Le penseur," and the recent rediscovery of sculpture might overweigh in the saleroom the familiarity of the subjects. There are also works by Picasso (who has not risen in price as rapidly as some of his fellows), Surrealists like Dali and Magritte, and Bonnard and Van Dongen.

Not all paintings by the famous Impressionist and modern artists are masterpieces, and examples of quite notable names can be acquired for £1,000 or less. Perhaps the best bargains can be found amoung the watercolours and drawings on Wednesday afternoon.

Antony Thorncroft

B. A. Young and **Paul Driver** twirl the radio dials

Irish sounds stylish

ST PATRICK will win this year's Championship unless St George pulls out some unexpected bounties. Against St Andrew's nil and St David's three, St Patrick netted four Radio 4 plays in the week, one of them done twice on consecutive days. This one, Harry Barton's *The Ornamental Peor Tree*, was not consciously Irish; it was a happy half-hour about nothing more important than a neighbours' battle over the tree, and it was so stylishly written and played under Peter Kavanagh's direction that I would have been delighted to hear it twice more.

John P. Rooney's *Second Opinion*, on Saturday, set out to contrast Irish and English characters. Dr Claire (English) succeeds her late but talkative father, Dr Pal (Irish), in his practice and spoils the patients by giving them what they want, not what they need. I thought it a slight piece, with all the characters stereotypes and the playing, under the same director, moderate.

The Monday Play, *Remembrance*, by Graham Reid, was an Ulster *Romeo and Juliet*. Sexagenarians Bert and Theresa meet as they tend the graves of their respective sons, both murdered, and fall in love. Bert is an English ex-soldier, a widower, a Protestant, his dead son a UDR volunteer, his living son a vengeful Ulster policeman with a rocky marriage. Theresa is an Irish widow, a Roman Catholic, her dead son shot by the army, her son-in-law doing life for murder, her daughters respectively discontented and resigned. Their progress is followed, rather sluggishly, with much domestic detail like the sound of tea being poured out. Finally, the children have all been driven to unnecessary flight by their sentimental elders' affaire, which itself dies sadly away. The director was Susan Hogg.

The fourth play *Autumn Love* by Stewart Love, did not seem to me to be specifically Irish at all.

While the saints go marching in, consider the lay problem of Mary Toft, who gave birth to no fewer than 17 rabbits in 1726: rabbits that seemed about three months old. One investigating doctor reported that, with no sign of pregnancy, she was delivered of what appeared to be a hog's bladder; but a more credulous medico assisted at the birth of rabbits, though he was unwilling to give evidence about it later. Ultimately there were confessions of deceit, and Mary had three human children. A contemporary Mrs Whitehouse demanded whether such ideas were fit to be put into the heads of rude boys, boarding-school girls and old maids—a question still asked about programmes less intimate, and less amusing, than this, *The Rabbit Woman of Godalming*. And are they? John Theocharis directed the programme on Radio 4 on Tuesday.

Radio 4 is scrupulous with its programmes for the disabled—*In Touch*, *Does He Take Sugar?*—but Radio Merseyside went one better on Sunday and broadcast a programme, *Don't Turn Off*, made entirely by handicapped teenagers. Their problems have been heard before, God knows. People won't talk to them, they have trouble in public buildings, and so on. But to hear them discussing these things sensibly for themselves was at once sad and encouraging.

Reputation keyed to major

JOHN MARLOW RHYS is a British composer of the same generation as Birtwistle and Maxwell Davies—he was 50 last year—but unlike those precocious luminaries he has achieved only gradual recognition and among a small circle. He has had relatively few performances, but then he is a slow, ultra-fastidious worker who, as far as I know, destroys or withholds as much of his output as he lets stand; he has also been occupied with teaching for most of his professional life.

His work is uncommonly intelligent and inventive; serious, yet engaging. He rejects easy solutions and self-repetition. Radio 3, which has broadcast his music in dribs and drabs since 1977, this last week accelerated the growth of his reputation by transmitting three pieces in five days.

On Saturday the ensemble piece *Capriccio* (1978) was given a repeat airing; Wednesday brought the first broadcast of the recent orchestral *Aquileia*; and last night's Music in our Time began with the première (recorded a year ago) of *Two Portraits*, performed by the ensemble Spectrum under Guy Protheroe.

The last of these is a fetching exercise in contrast, allegedly between Taoist states of Yang and Yin, though one hardly needs to know *that*. The two portraits are delicately sketched even when the pictured mood is violent.

Capriccio was heard in an outstanding realisation by the Nash Ensemble under Lionel Friend. It lives up to its title beautifully: the music (a single 18-minute span) moves lightly, playfully and unpredictably from section to distinct section, seeming to set up numerous ticking or chiming mechanisms, rather after the fashion of Birtwistle in a piece like *Carmen Arcadiae Mechanicae Perpetuum*.

Rhys's devices are unselfconsciously, unapologetically exhibited, without arcane reference. At the end there is a delightfully accurate imitation of a music-box on glockenspiel and chime bars (with a ratchet to "wind them up"), and an equally charming duet for toy piano and harp. Underpinning this stylised coda, though, is an ominous violin part whose vibrato becomes expressionistic: thus are the games of the piece called to account, but the overall impression of speed and skill remains.

Capriccio won the 1983 Ian Whyte Award; as a result, Rhys was invited to compose a work for the Scottish National Orchestra. The ensuing half-hour-long, ambitious, and deeply impressive *Aquileia* was handsomely served by that orchestra and its chief conductor Neeme Järvi. It is, not surprisingly, an austerer conception than *Capriccio*, but not flatteningly "symphonic" nor without its volatile elements. The first of three broad continuous sections is played by winds and percussion sometimes essaying a Stravinskyan rhythmic insistency. The strings enter with *pianissimo* magic on a sudden, densely chromatic chord to begin the second part, dominated by such massive and—if we follow the title's allusion to an Italian basilica—perhaps "architectural" sonorities.

During the rest of the piece one's expectations continue to be played with subtly: the form is always interestingly reticent, but a final climax does arrive, even if it is wiped away by an impertinent codetta. *Aquileia* is crammed with felicities yet more than just a mosaic of these: it has the authority to hold its own against majro orchestral statements by Rhys's coevals — Davies's *Second Taverner Fantasia*, Birtwistle's *Triumph of Time*.

Records

Off the beaten track

MAGNARD: **GUERCOEUR.** Demigny, Ferrer, Faniard, Bunlet, Scharley et al: Aubin. Bourg BG 4021-22 (two mono records).

LOCKENHAUS FESTIVAL. Vols I and II: various works. ECM 1304-5 (two records), also on compact disc.

OBOE MUSIC: by Britten, Dutilleux, Poulenc and Hindemith. Maurice Bourgue and Colette Kling. Harmonia Mundi HMC 902.

MOSCHELLES: Complete flute-and-piano music. András Adorján and Noël Lee. Orfeo S 049832 H.

VILLA-LOBOS: Choros nos 8-9. Schermerhorn/Hong Kong Philharmonic. HK/Marco Polo 6.220322.

BERIO: Sinfonia. Eindrücke. Boulez/New Swingle Singers/Orchestre National de France. Erato/Conifer NUM 75198, also on cassette and compact disc.

FERNEYHOUGH: Funérailles. **HOLLER:** Arcus. Boulez and Eötvös/Ensemble InterContemporain. Erato STU 71556, also on cassette.

NIELSEN: Symphony no 4. "Helios" Overture. Salonen/Swedish Radio Symphony. CBS IM 42093, also on cassette.

THE broad-gauge threat from the compact disc industry has not so far discouraged smaller firms from exploring the less the dead ends. The by-ways reported below will strike differrent listeners as appealing or just odd in varying proportions, but none of them strikes me as a waste of time.

A superbly obscure one is early operatic Magnard. Alberic one begins to think—the most distinguished composer to emerge from Vincent d'Indy's school. In his period he was respected as a sternly serious musician; but among the musically conservative French that was not a warm recommendation, nor did he attract the younger enthusiasts of the new Debussy/Ravel wave.

We had almost forgotten him, when his Fourth (and last) Symphony appeared on EMI-Pathe Marconi three years ago. Severely impassioned and sonorously refined, it was an old-fashioned revelation, with a patina of mature originality beyond its loyalty to the d'Indy tradition.

Guercoeur, his "tragédie en musique" of some 15 years earlier, is a fascinating find, even in what seems to be a blunt transcription from some old French broadcast. As a stage piece it would be ludicrous: four of the most long-winded principal characters are Truth, Goodness, Beauty and Suffering, and the fake-mythical action is a misanthropic, moralising tract.

Pretend that it is a dramatic cantata, however, in some unknown language (unfortunately the singers' diction is mostly excellent), and *Guercoeur* proves to be an impressive score. *Not* nearly so original as later Magnard, and with too many plain debts to *Die Walküre*: but shapely, strong, well varied, enormously cultivated. Tony Anbin's anonymous suggest how exciting many passages would be in a high-powered concert performance; as the disappointed baritone hero, Bernard Demigny leads a creditable cast in patrician style. We assume too easily that Debussy and his cohorts were competing against a declining tradition of pedantry and graceful trivia, it is good to discover how much life there was still in the Schola Ideals. Magnard is enjoying a modest resurgence, and tracking him from *Guercoeur* to the Fourth Symphony will be rewarding.

One of the main attractions of the first recording from the Lockenhaus Festival, an album with the delights of a whole concert, is a comparable revival of Franck's Piano Quintet. It has always kept a foothold in the repertoire but I have never heard such a spare, sharply dramatic, fat-free account of it as is given here by Alexandre Rabinovitch and (half his age) the precocious Hagen Quartet.

The Hagens—three siblings and a young Salzburg friend, who are cut out to be a leading quartet for the next 40-odd years—are just as alert and bold with Janáček's Quartet No 1.

The two-record format is not an expensive indulgence, for the programme also includes two ironic Shostakovich waltzes, a pungent version of a suite from Stravinsky's *Soldier's Tale* led by Gidon Kremer (the Lockenhaus director) and another of the Con[...] songs, and the most vivid performance yet of André Caplet's harp concertino after Poe, *The Masque of the Red Death*. It is enough to make one try to find out where Lockenhaus is.

Anyone who regrets the absence of Holliger-the-oboe from the Lockenhaus album can console himself with the new Maurice Bourgue record, which comprises *the* 20th-century oboe repertoire: the sonatas of early Dutilleux, Hindemith and late Poulenc, and Britten's *Metamorphoses after Ovid*.

Bourgue is impeccably refined in each idiom; his accompanist Colette King is faithful, though recorded too far forward. It is a great pleasure, and so is the unexpected Orfeo album of all the flute-and-piano music by the once-famous Moscheles (two big sonatas and more occasional pieces). The pianist is Noël Lee, fresh as always, and the remarkable flautist is the Hungarian András Adorján—beautiful open tone, and a gift for combining respectful style with shameless imagination. There are spontaneous delights all along the way.

Spontaneity was the great thing about Villa-Lobos. His *Choros* Nos 8 and 9 — expansively colourful large-orchestra pieces from his Paris period in the 1920s — offer the usual undisciplined seductions: great fun, exuberantly splashy. And perhaps Villa-Lobos was more [...] one suddenly recognises the conception of the orchestra that Messiaen took over (compare his *Turangalila!*) — emblematic wind-patterns, romantic strings, independent percussion-games. Do Messiaen's more overtly formal exercises in that style have much more expressive weight?

The new Boulez performance of Berio's colossally clever *Sinfonia* of 1969 needs just three comments. It includes Berio's finale, as the composer's own CBS recording came too soon to do, and that finale is a calculatedly effective rounding-off of the original piece; Boulez's orchestra is less clever than Berio's NYP at making the musical quotes that supply the fabric of the great *collage*-movement instantly recognisable, and the spoken texts in the new recording are allowed to cover the music rather too often; but Boulez gives us also the later, rhetorically gripping *Eindrücke*.

Boulez also conducts Brian Ferneyhaugh's *Funérailles* music which characteristically sounds tough but densely inventive, with an immediate (if puzzling) impact, and York Höller's *Arcus* combines tape with seventeen live players to broader, simpler purposes: a good, thought-provoking state-of-the-art record.

Finally, Esa-Pekka Salonen gives us a Fourth Symphony, the "Inextinguishable" of Carl Nielsen — born on the same day as Magnard — which is less brilliantly taut (and slow) than Simon Rattle's recent version, but more openly personal, and with the bonus of the *Helios Overture*, a devout vision of an Aegean dawn.

Stratford, Ontario

John Neville, artistic director of the Stratford Festival in Ontario will direct the opening production of the 1986 season, *Hamlet*, on May 20. Brent Carver plays the title role and Elizabeth Shepherd plays Gertrude. This will be followed on May 22 by *Rosencrantz and Guildenstern Are Dead*.

The third production, opening May 24, is Shakespeare's *Henry VIII*.

WEEKEND FT

Private view

Church militant

Stalin (above) mocked the Pope's battalions; now the church challenges his successors

THE BRITISH are a very pagan nation. Only one adult in six is even a nominal member of a Christian church, and the proportion is declining. The most flourishing religious affiliation is Islam: through immigration and the birth rate, the numbers in the UK have doubled over the past decade. But Anglicans, Roman Catholics, Presbyterians, all share in the general slump of traditional local faiths. There are now more Muslims than Methodists in Britain. All the chapels I went to as a child in Yorkshire have now been pulled down for their stone, and made into garage spaces or cheap housing.

This used not to be so. We are about to have the welcome anomaly of a direct electoral fight for control of the post-GLC Inner London Education Authority. It will be held on normal political lines. But when elected local education boards were first set up, in the late 19th century, even more vitriolic infighting took place—between the rival Nonconformist and Anglican candidates. Religion mattered then, for better or worse, in everyday life. Northern Ireland is now the only part of the kingdom—except perhaps Liverpool and Glasgow—where this is still true.

The change has many advantages. But it has one big drawback. It leaves a gap in our political and social imagination. Our eyes are closed to the sheer power of religion.

You can see this in much of the comment from England about Northern Ireland. Journalist after journalist, politician after politician, goes over there in pursuit of those consensual, middle-ground people whom the law of (English) averages leads them to expect. And again and again they fail to find them. Englishmen, whether of right or left, see the world largely in terms of class. They know how to manipulate that. They cannot accept that, in Northern Ireland, religion is really what counts. Yet they ought to. We have just had a more thoroughgoing one-day protest strike in Ulster, based on religious solidarity, than the enfeebled class-based trade unions of the mainland could manage.

And despite the smooth utterances of Tom King—the very model of a middle-ground Tory—we face the prospect of more sectarian strikes against the Anglo-Irish Agreement. It is about time we started to try to understand religion again, even if we can't actually believe in it.

The only people who seem worse at understanding it than the English are members of the Soviet Communist Party. After almost 70 years under an avowedly atheistical regime, Christian belief has not been rooted out. The opiate of the people turns out to have a half-life even longer than that of nuclear waste. The communist state cannot get rid of it. Many Soviet dissidents have turned to the Orthodox Church because it offers a living alternative ethic, and because it gives a thread back into Russian history which allows you to escape from the Marxist-Leninist maze.

Yet the Orthodox Church—tamed by the tsars even before the Communist Party tried to complete its emasculation—is a pretty unlikely hero. Notoriously, the Polish Catholic Church—with an unashamed allegiance to a pontiff half a continent away—was even harder to crush, and an even better banner for dissent. And the latest worry for Moscow is Islam. Ask not, Mr Gorbachev, for whom the muezzin calls: he calls for thee.

In plunging into its Afghan adventure, the Soviet Union must have reckoned the usual military risks. It does not appear to have expected to find itself up against religious opposition. But that is what happened. The Afghan guerrillas may be getting the help from the CIA that the Soviet Union alleges: but much more crucial is the help they are getting from Allah. In practice, of course, this means getting it from their co-religionists.

Soviet worries about Islam are now spreading to their own Central Asian republics. You can sense this from the denials that the party press is starting to print. The BBC Monitoring Service has just been quoting material from Azerbaidjan, where the local Communist Party is trying to shrug off any threat from Islamic solidarity.

Perhaps the British Council should fly out a few handy histories of Ireland for the benefit of the Azerbaidjan apparatchiks. Many political parties have faded away; but religions hardly ever die. And if they do, it takes centuries, or sometimes millennia, for every trace to go.

Stalin once asked, mockingly, how many battalions the Pope had. But without the Catholic Church, would the opposition to President Marcos in the Philippines ever have found a focus? In South Africa, without their rival versions of Christianity, would the Afrikaners and the blacks each have had the same resolve? Black protest revolves around Anglican and Methodist leaders as much as around the African National Congress. And without the doctrinal stiffening of the Dutch Reformed Church, the aggressive separateness of the Afrikaner people would surely not be quite so persistent.

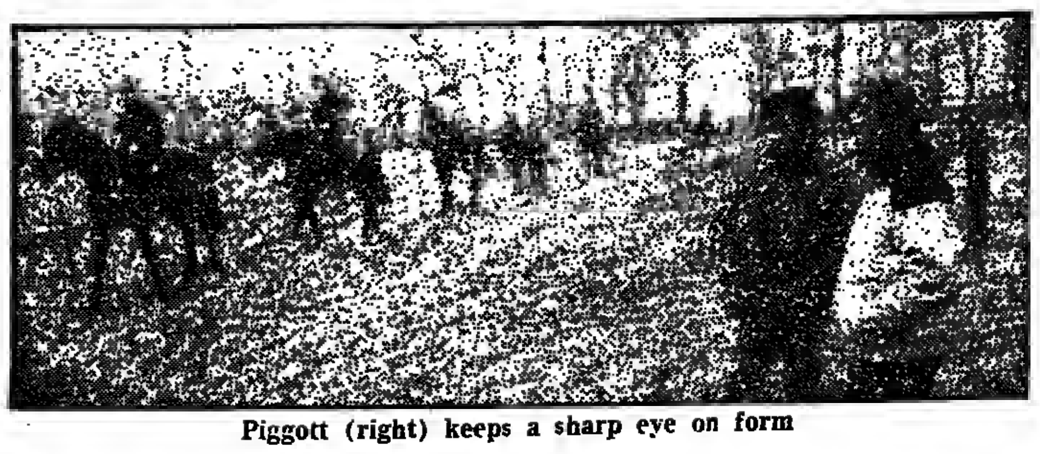
So I am not at all arguing that religious influence is always for good. What I am saying is that we must learn not to ignore it. Even in rationalist France, the pattern of this month's right and left voting hugged the contours of those regions that go to Mass most often, or go least. And even in secularist England, the Holy Alliance of opponents to Sunday trading shows that the weakest religion still has some bite. The British opponents of easier abortion or contraception for the under-16s may be on the losing side—just—at the moment. But their opposition—which is often buttressed by religious faith—may prove tougher than today's winning side thinks.

Like Mao, religion is always ready to face a long march.

Paul Barker

Alan Forrest assesses Lester Piggott's new career

In the pink for training



Piggott (right) keeps a sharp eye on form

RACEGOERS CHANGE horses quickly. The sun had hardly gone down on Dawn Run's Cheltenham Gold Cup triumph before we were chatting about how well or how badly we would do in the Flat Season, which started on Thursday. And, inevitably, how well or badly Lester Piggott will do in his first season as a trainer.

It has always been open season for knocking Lester. His love-hate relationship with racing people is legend. They admire him as a supreme jockey, but are always ready to believe the stories about his stone-faced dourness, his meanness with money, and his habit of pinching valuable rides from less fortunate jockeys.

So it was time somebody put things right for Piggott. Dick Francis, his fellow ex-jockey, attempts to do so in "the official biography" to be published on Monday. Francis known best for his racing thrillers, admits that he is a close friend of Piggott—they even have had a joint business interest in a small charter flying company which specialised in ferrying jockeys and trainers. He has ridden against Piggott—not many people remember that Lester had a couple of seasons as a jump jockey and finished with 20 winners from 55 rides.

Francis traces his on-course career colourfully—Piggott's first win at the age of 12, his first Derby win at 18, his first of many suspensions at 14 for what the stewards decided was unnecessarily tough riding, and his association with great horses like Sir Ivor, Nijinsky and Roberto.

But a delight of Francis's book is the insight it gives into the offcourse Piggott. This is Lester as a schoolboy: "What he did want to learn, he learned fast and thoroughly, and first of all he wanted to read.

"He read everything to do with racing. Not a word of Dickens and books like that! Nothing in the mainstream of the national literary heritage. Nothing about history, art, music or philosophy. Everything about racing . . . from ancient books, memoirs, to the stop-press in the evening papers.

"Next after racing, he wanted to learn about figures. Not twice-times two and certainly not cube roots.

"Lester's figures were those to be found on the delicate salmon-pink pages of the Financial Times. Lester's Pink 'Un told him the winners on the stock market and summed up the movements in minerals and shipping. Lester by the age of 13 knew his way round the Financial Times as familiarly as around Comic Cuts."

Obviously, his pink passion has continued, because a couple of seasons ago Susan Piggott was interviewed on television about her husband's weight problems and said he breakfasted off "a glass of water and the Financial Times."

So I am backing Piggott, the trainer. Such dedication to knowing how to make money makes him a natural for the business side of Flat Racing, where tinkling cash registers matter more these days than thundering hooves.

He certainly has no lack of top-class horses for the start of his training career. His stable at Newmarket already has 75 horses including those owned by Sheik Mohamed, Sheikh Maktoum-al-Maktoum, Lord Weinstock and Robert Sangster.

He starts his training career wistfully. How long, Francis asked him, would he have gone on being a jockey if he could have stopped time and stayed young? "Oh, a thousand years," he said.

It isn't the time yet to name his successor as king of the flat courses. The first big Flat wi... at Doncaster on Thursday, Mac's Reef, was ridden by Greville Starkey, senior jockey after Piggott and Joe Mercer's departure. But Stevie Cauthen seemed rejuvenated on television last week after his successful battle against champagne.

Today is the Lincoln at Doncaster, the first super-handicap of the Flat season. George Carter's mount, Well Rigged, is quoted as 7-1 favourite but I shall be putting my each-way money on Christian Schad.

Lester — the Official Biography, by Dick Francis, Michael Joseph, £12.95, 338 pp

Trevor Bailey on the bright side in Barbados

Two-nil down is not out

ALTHOUGH TO come back from two-nil down in a Caribbean cricket tour represents a formidable task, I know from personal experience that it is feasible. England found themselves in the same unhappy position back in 1954 under Len Hutton, but went on to square the series.

That was also for the unofficial championship of the world and it was achieved by a combination of luck, skill and, most important of all a togetherness combined with a resolution to show everybody, especially our critics what we could do. The outcome was that we played above ourselves which is exactly what David Gower and company need to do.

There are, of course, many differences. The present West Indian team possesses a far more formidable attack and the pitches are not so true. The Barbados wicket used to be close to a batting paradise with the ball coming on to the bat and the bounce even. It could be relied upon not to produce a fast shooter like the one which had Gower lbw for 0 in the one-day international.

Conversely, the present West Indian batting line up is far weaker than the one which had the three Ws—Weekes, Worrell and Walcott—in the middle order and a young Sobers coming in at number nine. Another difference was that the present England team has had to limp disconsolately into the third test having just been beaten by a deliberately weakened Barbados XI and then totally outclassed by the West Indies in the one-day International.

After these two substandard performances, it will require exceptional determination to climb back and it looks increasingly as if there is a shortage of this ingredient, but I hope to be proven wrong.

The Barbados match contained two intriguing features. First, our heavily armoured and helmeted batsmen were often in serious trouble against some very ordinary seam bowling which was not especially fast. In marked contrast their young, inexperienced, unknown and unhelmeted counterparts had few difficulties coping with the short pitched deliveries from our four pacemen. Indeed they seemed to relish them.

Secondly, in a sparsely filled ground—large crowds only come to the internationals—about 80 per cent of the spectators were from the UK.

There are nearly 3,000 British among the capacity crowd at the Kensington Oval for the Test, all hoping for that most impossible England victory. This must surely be the highest number of cricket lovers from the UK to have ever watched an overseas Test and easy to understand why they have chosen Barbados.

It is the ideal place to combine seeing top class cricket with a wonderful holiday. Unlike Jamaica, Trinidad, Sydney, Melbourne, Calcutta, or Bombay, where the Test ground is in a big city, Barbados is essentially a small holiday island offering a wide variety of accommodation. Here a husband can have a swim in the sea before and after breakfast and then leave his wife contentedly on a beautiful uncrowded beach while he goes off to cricket.

In addition to watching, many British fans are playing cricket themselves. Even though this is not the cricket season in Barbados, there is no shortage of opposition or grounds. The majority of the 3,000 cricket loving holidaymakers have come on package deals, mainly with travel firms specialising in sporting holidays. Two former England fast bowlers, Fred Rumsey and John Snow, each has big groups out here.

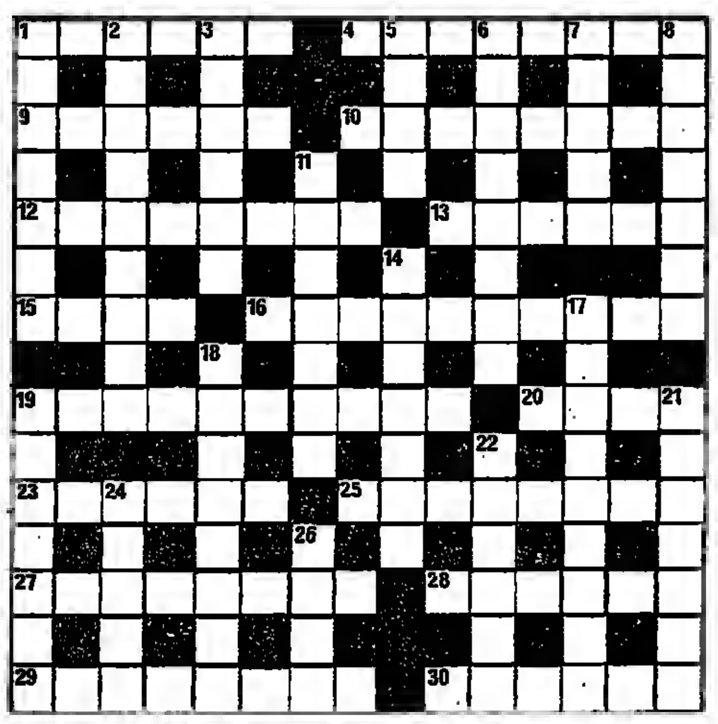
After the Trinidad one-day international the one in Barbados proved a sad anticlimax. Immediately Gooch departed England never seriously threatened to come within striking distance of the West Indian total. The failure of England with two slow bowlers and Gooch in the attack to send down 50 overs in 3 hours 20 minutes was a disgrace.

While the crowd were gradually dispersing as England meandered unconvincingly towards defeat, I kept meeting former West Indian and England Test players. The England contingent was not only unexpectedly high in numbers, but also contained some high calibre former cricketers.

While the final wickets were falling and one wondered whether we would suffer the indignity of failing to reach three figures, I amused myself by picking an England XI from those out here.

Assuming that they were all at their peak, it did look competent, and surprisingly well balanced. Here it is in batting order—Geoff Boycott, Colin Milburn, Peter May, Denis Compton, Mike Denness, Trevor Bailey, Godfrey Evans, David Allen, Don Wilson, John Snow and John Price.

F.T. CROSSWORD PUZZLE No. 5,979



Prizes of £10 each for the first five correct solutions opened. Solutions, to be received by next Thursday, marked Crossword on the envelope, to The Financial Times, 10 Cannon Street, London EC4P 4BY. Solution next Saturday.

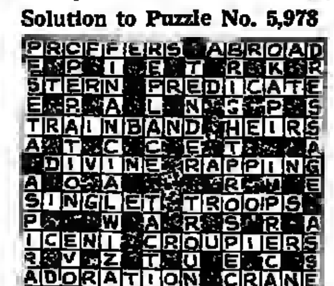
ACROSS

1 Relief of army electricians, extremely drowsy (6)
4 What disguises such alb before start of Eucharist? (8)
9 Artificial jade seen in France—previously, do you feel? (4, 2)
10 Not necessarily a sailing community (8)
12 Proof one can get drunk on draught (8)
13 Classic literary lapses? (6)
15 Quarter to noon-time for school (4)
16 A jolly old fellow in the last war (10)
19 Suitable bird, we bear, for spreading information (10)
20 Shape character (4)
23 Sailor, a converted rascal (6)
25 Being without footwear is vain (8)
27 Potter's melting-pot? (8)
28 Great respect for silver in house (6)
29 Proposed moving newspaper boss (8)
30 Power course for member of team (6)

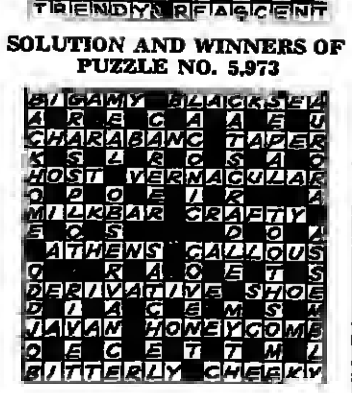
DOWN

1 Send out a tirade that is confused (7)
2 Butler's significant change of mood (5-4)
3 Baron, say, or duke with broken video (6)
5 Ring head office—work follows (4)
6 Source of beat withers extras down under (8)
7 Black tea from a hob (English) (5)
8 Account for former partner, Frank (7)
11 Hot-air column holds me in endless thrall, coming out (7)
14 Bed and breakfast with neat compartment for bats (7)
17 This animal roamed freely in dry surroundings (9)
18 Publication for the powder-room (8)
19 Rod with spiteful woman, an offensive creature (7)
21 Rubber put to work on personal columns? (7)
22 Leisurely walk or cycle on street (6)
24 Reject starting-price applied to holder of the Ashes (5)
26 Navy in the doldrums? (4)

Solution to Puzzle No. 5,978



SOLUTION AND WINNERS OF PUZZLE NO. 5,973



Miss C. Abbott, Dolphin Square, London SW1.
Miss C. P. A. Belk, Durham.
Mr M. J. Fulton, Newton Mearns, Glasgow.
Mr David Griffiths, Hampton Wick, Surrey.
Mrs D. M. Wilkinson, Yarmouth, Isle of Wight.

TELEVISION AND RADIO

SATURDAY

† Indicates programme in black and white

BBC 1

6.30 am Hunter's Gold. 8.55 Bananaman. 9.00 Saturday Superstore. 12.15 pm Grandstand: 12.55 News; Cricket, West Indies v England—Third Test; Football, "Focus," Half-times, Final Score; Snooker, The Car Care Plan World Cup '86; Racing from Newbury; Judo (European Women's Championships); Rugby League (Silk Cut Challenge Cup); Ice Skating (World Championships): 4.40 Final Score.

5.05 News. 5.15 Regional Programmes. 5.20 The Muppet Show. 5.45 Jim'll Fix It. 6.20 The Dukes of Hazzard. 7.05 The Little and Large Show. 7.40 Every Second Counts. 8.20 The Collectors. 8.10 News and Sport. 8.25 Deceptions. 11.00 Match of the Day. 11.50 Film: The Horror Movie: "The Legend of the Werewolf" starring Peter Cushing, Ron Moody, Hugh Griffith and Roy Castle.

BBC 2

†11.55 pm Film: "Every Girl Should Be Married" starring Cary Grant. †3.15 Film: "My Favourite Wife" starring Irene Dunne with Cary Grant. 4.45 Snooker. Highlights of the First Semi-final in The Car Care Plan World Cup 86. 8.00 Horizon: In the Wake of HMS Sheffield. 6.50 Newsview. 7.30 International Pro-Celebrity Golf. 8.20 The Sea of Faith. 9.10 Stuart Burrows Sings. 10.10 Snooker (The Car Care Plan World Cup 86). 11.00 Saturday Review. 11.50 Snooker. †12.30-1.10 am Jazz 625: Clark Terry and Bob Brookmeyer.

LONDON

6.55 am TV-am Breakfast Programme. 9.25 No 73. 11.00 Captain Scarlet. 11.30 Secret Valley. 12.00 News. 12.05 pm Saint and Greavsie. 12.30 Wrestling. 1.20 Airwolf. 2.15 Benson. 2.35 Ice Skating. 4.45 Results Service.

5.00 News. 5.05 Connections. 5.35 The A-Team. 8.30 Bobby Davro on the Box. 7.00 The Price is Right. 8.00 Murder, Mystery, Suspense. 9.45 News. 10.00 Aspel and Company. 10.45 LWT News Headlines followed by Darts: The Nations Cup. 12.15 am Jools in Jamaica. 12.50 Night Thoughts.

CHANNEL 4

1.15 pm Channel 4 Racing from Doncaster. †3.20 "Bowery to Broadway" (Jack Oakie and Donald Cook star). 5.05 Brookside Omnibus. 6.00 Family Ties. 6.30 Unforgettable. 7.00 News Summary followed by Seven Days. 7.30 Down Home. 8.30 Saturday Live. 10.00 Hill Street Blues. †11.00 "The Ghost of Frankenstein" (Cedric Hardwicke stars). †12.15 am "The Return of the Vampire" starring Bela Lugosi.

S4C WALES

1.15 pm Racing from Doncaster. 3.20 Dance Matinee. 4.00 Feature Film: "The Man Who Watched Trains Go By." 5.30 Patterns of Life 6.30 How Does Your Garden Grow? 7.00 Hwrlibwrli. 7.30 Nawyddion. 7.45 Stumiau. 8.15 Ymweliad hel a dyffryn clwyd. 8.50 Bwyta'n dda 9.15 Y maes Chwarae. 10.15 Saturday Live. 11.45 Brothers.

REGIONS

IBA Regions as London except at the following times:

ANGLIA
11.00 pm Terrahawks. 11.30 The Flying Kiwi. 2.15 pm Off the Rack. 5.05 Blockbusters.

BORDER
11.00 am The Greatest American Hero. 2.15 pm Small Wonder. 5.05 Dreams.

CENTRAL
11.00 am Ice Skating 1.20 pm The Saturday Western: "The Kid from Texas." starring Audie Murphy. 5.05 Mr and Mrs.

CHANNEL
11.00 am The Greatest American Hero. 11.59 Today's Weather. 2.15 pm Mr Smith. 5.05 Blockbusters 12.15 am After Midnight: Gary Numan.

Frankenstein
Channel 4, 11 pm

GRAMPIAN
11.05 am The Greatest American Hero 5.05 pm Blockbusters. 12.15 am Reflections.

GRANADA
11.05 am The Greatest American Hero. 2.15 pm Mind Your Language. 12.15 am "The Tell-Tale Heart" starring Laurence Payne and Adrienne Corri.

HTV
†11.05 am Fireball XL5. 11.30 Captain Scarlet and the Mysterons. 11.58 HTV News. 2.15 pm Supercar! 5.05 Terrahawks.

SCOTTISH
11.00 am The Glen Michael Cavalcade. 11.45 Adventures of Jeremy. 2.15 pm Small Wonder. 5.05 Blockbusters. 12.15 am Late Call.

TSW
11.00 am Gus Honeybun's Magic Birthdays. 11.03 Freeze Frame. 11.57 TSW News. 2.15 pm The Smurfs. 5.05 Newsport. 5.10 Blockbusters. 12.15 am Postscript.

TVS
11.00 am The Greatest American Hero. 11.57 TVS Weather 2.15 pm Mr Smith 5.05 Blockbusters. 12.15 am After Midnight: Gary Numan. 1.15 Company.

TYNE TEES
11.00 am Morning Glory. 11.05 Ice Skating 6.05 pm Mind Your Language. 12.50 am Poet's Corner.

ULSTER
11.00 am The Baron. 11.58 Lunchtime News. 2.15 pm Happy Days. 4.55 Sports Results. 5.03 Ulster News. 12.15 am News at Bedtime.

YORKSHIRE
11.00 am Otherworld. 2.15 pm Candid Camera. 12.15 am Festival Folk (The Furey Brothers).

RADIO

(S) Stereo on VHF

BBC RADIO 2
8.05 am David Jacobs (S). 10.00 Sounds of the 60s (S). 11.00 Album Time (S). 1.00 pm The News Huddlines. 1.30 Sport On 2: Football; Test Cricket; Racing from Doncaster; Rugby League; Rugby Union; Motor Racing and at 5.00 Sports Report. 6.00 Folk On 2. 7.00 Pop Score. 7.30 Owain Arwel Hughes introduces and conducts music of the masters with the BBC Concert Orchestra (S). 9.30 String Sound (S). 10.05 Martin Kelner (S). 12.05 am Night Owls introduced by Dave Gelly (S). 1.00 Bill Rennells presents Nightride (S). 3.00-4.00 A Little Night Music (S).

BBC RADIO 3
7.00 am News. 7.05 Aubade (S). 9.00 News. 9.05 Record Review (S). 10.15 Stereo Release (S) 11.25 Gunter Wand conducts the BBC SO in Beethoven's Symphonies No 6 (Pastoral) and No 5 in the Royal Festival Hall, London, last night (S) 1.00 pm News. 1.05 Early Music Network (S). 2.00 Vaughan Williams In His Time (S). 4.05 Howard Shelley and Hilary MacNamara 2-piano recital (S) 5.00 Jazz Record Requests (S). 5.45 Critics' Forum 6.35 Music for the Iron Voice (S). 7.15 Mr Gottlieb Will Not Be Writing 7.30 BBC Welsh Symphony Orchestra conducted by Louis Fremaux (live relay), part 1: Bizet, Saint-Saens (Piano Concerto No 2 with Jean-Philippe Collard) (S). 8.05 Strange Fits of Passion (anthology of poems). 8.25 Concert, Part 2: Dvorak (Symphony No 9) (S). 9.15 Berthold Goldschmidt, chamber music (S). 10.00 The Maiden and the Beast (Short story). 10.10 Lenten Choral Music (S). 11.00 Le Petite Bande (S). 11.57-12.00 News.

Medium wave, as above, except: 2.25-7.15 pm Cricket: Third Test—West Indies v England from Bridgetown, Barbados.

BBC RADIO 4
7.00 am News. 7.10 Today's Papers. 7.15 On Your Farm. 7.45 In Perspective with Andy O'Mahoney. 7.50 Down To Earth. 7.55 Weather: Travel. 8.00 News. 8.10 Today's Papers. 8.15 Sport On 4. 8.48 Yesterday in Parliament. 8.57 Weather; Travel. 9.00 News. 9.05 Breakaway. 9.50 News Stand. 10.05 The Week In Westminster. 10.30 Loose Ends. 11.30 From Our Own Correspondent. 12.00 News; Money Box. 12.27 pm Take Me To Your Reader (S). 12.55 Weather 1.00 News. 1.10 Any Questions? 1.55 Shipping Forecast. 2.00 News; Afternoon Play (S). 3.00 News: International Assignment. 3.30 The Saturday Feature. 4.15 Not Another Diet Programme. 4.45 The Foodyke Saga II 5.00 The Living World 5.25 Week Ending. 5.50 Shipping Forecast. 5.55 Weather: Travel 6.00 News; Sports Round-up. 6.25 Conversation Piece. 6.50 Ten Thousand Miles on an Overdraft 7.05 Stop the Week With Robert Robinson (S). 7.45 Baker's Dozen (S). 8.30 Saturday-Night Theatre (S). 9.58 Weather. 10.00 News. 10.15 Evening Service (S). 10.30 The Turn of the Tide. 11.00 Science Now. 11.30 In Other Words . . . The Badgers (S). 12.00-12.15 am News.

SUNDAY

† Indicates programme in black and white

BBC 1

8.55 am Play School. 9.15 Articles of Faith. 9.30 This Is The Day. 10.00 Asian Magazine. 10.30 Switch on to English. 10.55 Recovery. 11.20 Tele-Journal. 11.45 With a Little Help From the Chip. 12.35 pm Farming. 12.58 Weather News for farmers. 1.00 This Week Next Week. 2.00 EastEnders.

3.00 Film Matinee: "Fathom," starring Raquel Welch. 4.35 World Figure Skating Championships. 5.20 Brot Farmr. 5.50 Antiques Roadshow. 5.30 News. 6.40 Songs of Praise for Palm Sunday. †7.15 Hancock's Half Hour (Lord Byron Lived Here). 7.45 Miss Marple: The Body in the Library. 8.40 Mastermind. 9.10 News. 9.25 That's Life. 10.15 The Rock Gospel Show. 10.50 Geoffrey Smith's World of Flowers. 11.35 Secret Nature.

BBC 2

2.00 pm Rugby Special. 3.00 Snooker (final of the Car Care Plan World Cup 86). 4.10 The Great Art Collection. 4.45 Music by Haydn. 5.10 Athletics (The World Cross Country Championships from Neuchatel, Switzerland). 5.50 Snooker (frames 1-8). 6.30 The Money Programme. 7.15 Nature. 7.45 Previn on Concertos. 9.35 Snooker. 9.40 Grand Prix. 10.15 Film: Screen Two: "Shergar." 11.30-12.25 am Snooker.

LONDON

6.55 am TV-am Breakfast Programme. 9.25 Wake Up London. 9.35 Woody and Friends. 9.45 Roger Ramjet. 10.00 Morning Worship. 11.00 Getting On. 11.30 Natural Resources. 12.00 Weekend World. 1.00 pm Police 5. 1.15 The World Cross Country Championships. 2.00 Encounter. 2.30 LWT News Headlines followed by "The Beachcomber," starring Glynis Johns, Robert Newton and Donald Sinden.

4.00 pm The World Cross Country Championships. 4.30 Survival. 5.00 Seal Morning. 5.30 Bullseye. 6.00 Albion Market. 6.30 News. 9.40 Appeal on behalf of St Loyes College, Exeter. 6.45 Highway. 7.15 Catchphrase. 7.45 Movie Premiere: "Reunion at Fairborough," starring Robert Mitchum and Deborah Kerr. 9.45 Hot Metal. 10.30 The South Bank Show 11.30 LWT News Headlines followed by Mapp and Lucia. 12.25 am Night Thoughts.

Shergar
BBC 2; 10.15 pm

CHANNEL 4

1.00 pm Irish Angle present Hands. 1.30 Face the Press. 2.00 Pob's Programme. †2.25 "My Little Chickadee" (Mae West and W. C. Fields star). †3.55 "It's Never Too Late to Mend" (Tod Slaughter stars) 5.15 News Summary followed by The Business Programme. 8.15 Volleyball. 7.15 Patterns of Life.

8.15 My Ireland: Charles Haughey. 9.15 Mr Pye. †10.15 "Inadmissible Evidence," with Nicol Williamson, Eleanor Fazan, Jill Bennett and Peter Sallis. †12.00 "And So To Work."

S4C WALES

2.05 pm Union World. 2.35 Feature Film: "Royal Wedding," starring Fred Astaire and Jane Powell. 4.20 Iesu Odoe a Heddiw. 4.50 Dilyn Iesu. 5.15 The Business Programme. 6.15 Volleyball. 7.15 Dorr Dog. 7.20 Newyddion. 7.30 Cais am Gan.

8.00 Mwynhau'r Pethe. 8.30 Dechrau Canu, Dechrau Canmol. 9.00 Sul y Blodau. 10.45 Sylw Un. 10.55 Feature Film. "Charlie Bubbles" starring Albert Finney with Colin Blakely, Liza Minelli and Billie Whitelaw.

REGIONS

IBA Regions as London except at the following times:—

ANGLIA
9.30 am The Prizewinners. 1.00 pm Cartoon Time. 2.00 Weather Trends. 2.05 Farming Diary. 2.30 Encounter. 3.00 Chips. 4.30 Candid Camera. 12.30 am From Calvary to Koml.

BORDER
9.25 am Gardening Time. 9.55 Border Diary. 1.00 pm Great North Face Air Race. 1.30 Farming Outlook. 2.30 International Athletics 3.15 The New Squadronaires 3.30 Captain Scarlet and the Mysterons. 4.30 Seal Morning. 5.00 The Baron 11.30 Conference '86 (Scottish Liberal Party).

CENTRAL
9.25 am Walton, Walton 9.30 Terrahawks 1.00 pm Here and Now. 1.25 The World Cross Country Championship. 2.30 The Weekend Matinee: "Nearest And Dearest," starring Hylda Baker. 4.30 Wish You Were Here . . . ? 5.30 British Candid Camera.

CHANNEL
9.25 am Today's Weather. 9.26 Starting Point. 9.30 Les Francais Chez-Vous. 1.00 pm Gardens For All. 1.30 Video Club. 1.45 The Outdoor Builders. 2.30 Athletics 3.15 Hotel. 4.55 Puffin's Pla(i)ce

GRAMPIAN
9.25 am Cartoon 9.30 Sesame Street. 10.30 Fireball XL5 1.00 pm Farming Outlook 1.30 Athletics 2.30 Curling (Scottish Brewers' Trophy). 3.30 Bullseye. 4.30 Seal Morning 5.00 Scotsport. 11.30 Conference '86—Scottish Liberal Party. 12.15 am Reflections.

GRANADA
9.25 am Max The 2000 Year Old Mouse 9.35 Indian Legends of Canada. 11.00 Natural Resources. 11.25 Aap Kaa Hak. 11.30 Survival. 1.00 pm Cartoon Time. 2.00 Sunday Matinee: "The Four Musketeers," starring Oliver Reed and Raquel Welch. 4.30 Encounter.

HTV
9.25 am Jayce and the Wheeled Warriors 9.50 Science International. 1.00 pm West Country Farming followed by Weather for Farmers. 2.30 The Sunday Matinee: "Big Rose." 4.30 Gardening Time.

HTV Wales—As HTV West except: 4.30-5.00 pm Wales on Sunday. 11.30-12.30 Crown Green Bowls.

SCOTTISH
9.25 am Foo Foo. 9.35 Natural Resources. 10.00 Sesame Street. 11.30 Encounter. 1.00 pm Farming Outlook. 4.30 Seal Morning. 5.00 Scotsport. 11.30 Conference '86—Scottish Liberal Party. 12.15 am Late Call.

TSW
9.25 am Getting On followed by Getting On . . . Plus. 11.00 Natural Resources. 11.25 Look and See 11.30 The South West Week. 1.00 pm Gardens For All. 1.30 Farming News 2.30 International Athletics 3.15 Cartoon Time. 3.30 Survival. 4.30 Seal Morning 5.00 Gus Honeybun's Magic Birthdays 5.03 Falcon Crest. 11.30 The Pick of the Postscript. 12.00 Postscript Postbag.

TVS
9.25 am Action Line. 9.35 Cartoon Compilation 1.00 pm Agenda. 1.30 Enterprise South 2.30 Athletics. 3.15 Hotel 6.55 TVS News. 12.30 am Company

TYNE TEES
9.25 am Fireball XL5 9.50 Sunday Lookaround. 9.55 Morning Glory 1.00 pm Farming Outlook 1.30 Wish You Were Here . . . ? 2.30 Athletics 3.15 Looks Familiar 4.30 Small Wonder. 11.30 With Good Reason. 12.00 Epilogue

ULSTER
9.40 am Advice with Anne Hailes. 12.58 pm Lunchtime News. 1.00 Cartoon Time. †2.30 Sunday Matinee—"Trouble in Store," starring Norman Wisdom. 4.30 Diff'rent Strokes. 6.38 Ulster News. 9.57 Ulster News. 11.30 Sports Results. 11.35 Circuit Report '85. 12.30 am News at Bedtime.

YORKSHIRE
8.25 am Getting On. 11.00 Natural Resources. 11.30 Farming Diary. 1.00 The Smurfs. 2.30 Sunday Cinema: "The Captain's Table" starring John Gregson, Peggy Cummins and Donald Sinden. 4.30 Seal Morning. 5.00 Benson. 12.30 am Five Minutes.

RADIO

(S) Stereo on VHF

BBC RADIO 2
7.30 am Roger Royle says Good Morning Sunday (S). 9.05 Melodies For You (S). 11.00 Desmond Carrington with your Radio 2 All-Time Greats (S). 1.00 pm Jimmy Young Presents Two's Best (S). 2.00 Benny Green (S). 3.00 Alan Dell with Sound Easy (S). 4.00 Jazz Classics in Stereo (12) Empress of the Blues: Bessie Smith (S). 4.30 Sing Something Simple (S). 5.00 Charlie Chester with your Sunday Soapbox. 7.00 Castle's Corner. 7.30 The Gentle Touch. 8.00 Cynthia Glover Sings with the Orchestra. 8.30 Sunday Half-Hour 9.00 Your Hundred Best Tunes introduced by Alan Keith 10.05 Songs from the Shows. 10.30 Acker's Away 11.00 Sounds of Jazz with Peter Clayton (stereo from midnight). 1.00 am Bill Rennells presents Nightride (S) 3.00-4.00 A Little Night Music (S).

BBC RADIO 3
7.00 am News. 7.05 Schubert and his Contemporaries (S). 9.00 News. 9.05 Your Concert Choice (S). 10.30 Music Weekly. 11.15 Takacs Quartet (S) 12.15 pm From the Proms 85 Swedish Radio SO conducted by Sixten Ehrling part 1: Stenhammar (Symphony No 2) (S). 1.00 Collectors' Items 1.05 Proms 85 part 2: Tchaikovsky (Piano Concerto No 1, with Shura Cherkassky). Prokofiev (Romeo and Juliet, excerpts) (S). 2.10 "Elegy For Young Lovers"—opera by Hans Werner Henze sung in English in a performance conducted by the composer at the Queen Elizabeth, London (S). 5.16 Scottish Canvas. 5.00 Harrison Birtwistle: "Three Movements with Fanfares" and "Nomos" (S). 6.30 Schubert (S). 7.15 The Last Days of Socrates (S). 8.30 Czech Music at Abbotsholme: Rudolf Firkusny (piano) and the Smetana Quartet: Martinu, Smetana; 9.05 Interval Reading; 9.10 Dvorak (Piano Quintet) (S). 9.50 Shostakovich: Symphony No 4 conducted by Rostropovich (S). 11.00 London Oboe Band (S). 11.30 Albert Sammons (mono record of Rubbra's Violin Sonata No 2). 11.57-12.00 News.

Medium wave as above except:—2.25-7.15 pm Cricket: Third Test, West Indies v England from Bridgetown, Barbados.

BBC RADIO 4
8.00 am News. 8.10 Sunday Papers. 8.15 Sunday. 8.50 John Gielgud talks, for the Week's Good Cause, about The Society for the Protection of Ancient Buildings. 8.55 Weather; Travel. 9.00 News. 9.10 Sunday Papers. 9.15 Letter From America by Alistair Cooke. 9.30 Morning Service. 10.15 The Archers. 11.15 Pick of the Week (S). 12.15 pm Desert Island Discs (S). 12.55 Weather. 1.00 The World This Weekend. 1.55 Shipping Forecast. 2.00 News; Gardeners' Question Time. 2.30 The Afternoon Play. 4.00 News; The Food Programme. 4.30 The Natural History Programme. 5.00 News. 5.05 Down Your Way visits Newport on the Isle of Wight. 5.50 Shipping Forecast. 5.55 Weather. 6.00 News. 6.15 Weekend Woman's Hour. 7.00 Travel; Lord of Misrule (S). 7.30 Feedback (Chris Dunkley airs listeners' comments about BBC programmes and policies). 7.45 Streams in the Desert. 8.00 Bookshelf. 8.30 In Praise of God: For Passiontide. 9.00 News: The Betrothed (S). 9.58 Weather. 10.00 News. 10.15 The Sunday Feature: "The Case for the Crown." 11.00 Hidden Glory. 11.15 In Committee. 12.00-12.15 am News.

هكذا من الأصل